UNITED STATES DISTRICT COURT FOR THE DISTRICT OF MASSACHUSETTS

JOHN HANCOCK LIFE INSURANCE COMPANY, JOHN HANCOCK VARIABLE LIFE INSURANCE COMPANY and MANULIFE INSURANCE COMPANY,

CIVIL ACTION NO. 05-11150-DPW

Plaintiffs,

v.

ABBOTT LABORATORIES,

Defendant.

$\frac{\textbf{ABBOTT'S CORRECTED DEPOSITION COUNTER-DESIGNATIONS FOR}}{\textbf{KEITH HENDRICKS}}$

Defendant Abbott Laboratories ("Abbott") respectfully submits the attached corrected deposition counter designations for the April 27, 2007 deposition of Keith Hendricks, Divisional Vice President of Portfolio Analysis and Assessment.

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Dated: February 22, 2008

Respectfully submitted,

ABBOTT LABORATORIES

By: __/s/ Eric J. Lorenzini____ Eric J. Lorenzini

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and

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Counsel for Abbott Laboratories

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CERTIFICATE OF SERVICE

I hereby certify that this document(s) filed through the ECF system will be sent electronically to the registered participants as identified on the Notice of Electronic Filing (NEF) and paper copies will be sent to those indicated as non registered participants on February 22, 2008.

Date: February 22, 2008	
	/s/ Ozge Guzelsu

Keith Hendricks Deposition Designations

Depo Date	Witness	Hancock Designation	Abbott Counter Designation	Abbott Designation	Deposition Exhibit	Plaintiff Exhibit	Defendant Exhibit
04/27/07	Hendricks, Keith	4:7-13:24			ı	QM	
04/27/07	Hendricks, Keith	14:5-26:18	14:1-14:4		2	RV	
04/27/07	Hendricks, Keith	28:10-30:6					
04/27/07	Hendricks, Keith	32:11-34:5	34:6-35:6				
04/27/07	Hendricks, Keith	36:13-43:14			2	RV	
04/27/07	Hendricks, Keith	46:10-47:7		·			
04/27/07	Hendricks, Keith	48:22-51:22			2	RV	
04/27/07	Hendricks, Keith	52:10-52:13			2	RV	
04/27/07	Hendricks, Keith	58:1-66:18	66:19-68:9		2	RV	
04/27/07	Hendricks, Keith	68:10-69:24	70:1-75:7		2	RV	
04/27/07	Hendricks, Keith	75:8-77:2			2	RV	
04/27/07	Hendricks, Keith	77:12-78:19	78:20-80:8		2	RV	
04/27/07	Hendricks, Keith	80:9-82:4			2	RV	
04/27/07	Hendricks, Keith	90:7-93:12			2	RV	
04/27/07	Hendricks, Keith	94:8-98:10	98:11-99:3		3	1	
04/27/07	Hendricks, Keith	99:4-100:24	101:1- 104:17	٠	3	I	

04/27/07	Hendricks, Keith	104:18-108:6	108:7-109:1	4	4 5	EI IL	
04/27/07	Hendricks, Keith	109:2-114:24		6	6	PG	
04/27/07	Hendricks, Keith	115:1-117:24		7	7	32	
04/27/07	Hendricks, Keith	129:14- 139:19			9 10 11 12 13	MX 34 NN 43 OZ LT	
04/27/07	Hendricks, Keith	178:1-181:24	182:1- 185:17	2	20	MJ	
04/27/07	Hendricks, Keith	201:22- 202:17	194:19- 197:20	2	20	MJ	
04/27/07	Hendricks, Keith	210:16-212:7		1	1	QM	

Color Key to Deposition Designations

Designation by Plaintiffs

Counter Designation by Defendants

Designation by Defendants

- 1 IN THE UNITED STATES DISTRICT COURT
- 2 FOR THE DISTRICT OF MASSACHUSETTS
- 3 JOHN HANCOCK LIFE INSURANCE)
- 4 COMPANY, JOHN HANCOCK)
- 5 VARIABLE LIFE INSURANCE) Civil Action
- 6 COMPANY, and MANULIFE) No. 05-11150-DPW
- 7 INSURANCE COMPANY (f/k/a)
- 8 INVESTORS PARTNER INSURANCE)
- 9 COMPANY),)
- 10 Plaintiffs,)
- 11 vs.)
- 12 ABBOTT LABORATORIES,
- 13 Defendant.)
- 14 The videotaped deposition of KEITH
- 15 HENDRICKS, called for examination, taken pursuant to
- 16 the Federal Rules of Civil Procedure of the United
- 17 States District Courts pertaining to the taking of
- depositions, taken before JENNIFER L. BERNIER, CSR
- 19 No. 84-4190, a Notary Public within and for the
- 20 County of Cook, State of Illinois, and a Certified
- 21 Shorthand Reporter of said state, at Suite 1300, Two
- 22 North LaSalle Street, Chicago, Illinois, on the 27th
- 23 day of April, A.D. 2007, at 9:49 a.m.

24

- 1 (WHEREUPON, the witness was duly
- 2 sworn.)
- 3 KEITH HENDRICKS,
- 4 called as a witness herein, having been first duly
- 5 sworn, was examined and testified as follows:
- 6 EXAMINATION
- 7 BY MR. DAVIS:
- 8 Q. Good morning. Would you state your name
- 9 for the record, please.
- 10 A. Keith Hendricks.
- 11 Q. Mr. Hendricks, my name is Brian Davis.
- 12 I'm going to be asking you a series of questions
- 13 here today.
- 14 If at any point in time you don't
- 15 understand my questions, please let me know. And I
- will try to give you a clearer question.
- 17 Do you understand that?
- 18 A. Mm-hmm.
- 19 Q. Also, you'll have to verbalize your
- 20 responses --
- 21 A. All right. Yes, I do.
- 22 Q. -- during the course of the deposition.
- A. Yes, I do.
- Q. And if at any point in time you would

- 1 like to take a break, please let me know that as
- 2 well.
- 3 A. I will.
- 4 Q. And we'll try to accommodate you as soon
- 5 as we can after that. Where are you employed?
- 6 A. Abbott Laboratories.
- 7 Q. What position do you hold there?
- 8 A. Vice President of Portfolio Analysis and
- 9 Assessment.
- 10 Q. How long have you held that position?
- 11 A. Four years.
- 12 Q. Is that part of the DSG group?
- A. The DSG, the Decision Support Group,
- 14 reports to me.
- 15 Q. What is the Decision Support Group?
- 16 A. The Decision Support Group is a small
- 17 group that helps analyze the various R&D
- 18 investments -- pharmaceutical and nonpharmaceutical
- 19 R&D investments -- for Abbott Laboratories.
- Q. It's a group within Abbott?
- 21 A. Yes.
- 22 Q. Where is DSG based physically?
- 23 A. Abbott Park.
- 24 Q. Approximately, how many people are in

- 1 DSG?
- 2 A. Supporting the pharmaceutical side, about
- 3 five; and five supporting the medical products
- 4 group.
- Q. And one of the people who works in DSG is
- 6 Liz Kowaluk?
- 7 A. That's correct.
- 8 Q. She reports to you?
- 9 A. Yes, she does.
- 10 Q. Mr. Hendricks, how long have you worked
- 11 for Abbott labs?
- 12 A. Since 1990.
- 13 Q. What other positions have you held at
- 14 Abbott?
- 15 A. I worked for five years in the
- 16 Diagnostics Division in a variety of strategic
- 17 planning and strategic marketing roles.
- 18 I worked in the International Division
- 19 for many years. Two primary roles there were in
- 20 charge of new product planning and market research.
- 21 And I've worked -- I worked, in my current
- 22 position, for four years.
- 23 So those have been the basic positions
- 24 that I've held over the last 17 years.

- 1 Q. You took your current position in,
- 2 approximately, 2003?
- A. The position title was created at that
- 4 point in time. My work and the Decision Support
- 5 Group work has been going on since 1998 -- actually,
- 6 even when I was in, formerly, other positions at
- 7 Abbott.
- 8 Q. So you had some of the same duties, in
- 9 prior positions, under different titles?
- 10 A. Yes. I started the Decision Support
- 11 Group at Abbott Laboratories.
- 12 Q. When was that?
- A. It was formerly called that group, I
- 14 think, around 1990 or so.
- 15 Q. I'm sorry. What was the position that
- 16 you held immediately prior to being Vice President
- 17 of Portfolio Analysis?
- A. What did they call me? I'm trying to
- 19 think.
- Q. As best you recall.
- 21 A. Probably, I was called a Director of the
- 22 Portfolio Analysis Group, something to that
- 23 effect -- the same basic role that I had after the
- 24 title changed, though.

- 1 Q. Meaning, the same basic role that you had
- 2 currently?
- A. Yes. The current role that I had with a
- 4 few additions after that time.
- 5 Q. And, approximately, what period of time
- 6 did you hold the position of Director of Portfolio
- 7 Analysis?
- 8 A. Probably, '92, '93. So the titles
- 9 changed from Director of International/Global New
- 10 Product Planning and Market Research. That title
- 11 changed in '92.
- 12 When it became Director of Decision
- 13 Support Group Portfolio Analysis, it became Vice
- 14 President of Portfolio Analysis. My
- 15 responsibilities regarding Abbott International and
- the new product planning activities stopped sometime
- 17 around 2001.
- 18 But if you look at the period from 1998
- through 2001, I was actually doing Al's new product
- 20 planning. I was doing Al's market research; and I
- 21 was starting up the effort that later became known
- 22 as the Decision Support Group.
- 23 Q. So you've been in the position of
- 24 supporting sort of decision making within Abbott

- 1 since the early 1990s?
- 2 A. With respect to what?
- Q. Pharmaceuticals.
- 4 A. Pharmaceuticals. My -- when I came to
- 5 Abbott International in 1995, my role there -- in
- 6 new product planning -- was specifically to work
- 7 with the pharmaceutical R&D scientists and provide
- 8 commercial input regarding the pharmaceutical
- 9 investments that were being made.
- 10 Q. And that's been true since that time?
- A. My role -- when my role stopped in around
- 12 2001 with Al -- in the new product planning role --
- that was when my responsibility for providing
- 14 commercial input to R&D decision making stopped.
- 15 The role of the Decision Support Group
- and Portfolio Analysis is actually factoring
- 17 commercial input from new product planning --
- 18 scientific input, technical input -- to help analyze
- 19 R&D decisions.
- 20 But my responsibility for providing
- 21 commercial input stopped around 2001 or so.
- 22 Q. Now, what you're terming, "commercial
- 23 input," does that include sales and revenue
- 24 projections?

- 1 A. Sales and revenue, yes. It does include
- 2 that with respect to the R&D assets in development.
- Q. So as it currently stands, if I have it
- 4 correct, there is a group within Abbott that
- 5 generates sales of revenue projections with respect
- 6 to products under development.
- 7 And that information is fed to the
- 8 Decision Support Group -- of which you were in
- 9 charge -- to help to assist in decision making
- 10 within Abbott; is that correct?
- 11 A. More or less. The distinction is, there
- is no one group in Abbott that provides commercial
- 13 information at this point in time.
- 14 There used to be a central group that was
- disbanded around 2000 -- actually, the time when my
- official duties stopped with respect to new product
- 17 planning was the time that the centralized groups
- 18 that provide that information was disassembled --
- 19 decentralized -- into various business units.
- 20 So the commercial information, at this
- 21 point in time, regarding new products in development
- 22 comes from a variety of groups, commercial groups,
- 23 throughout the company. It comes into the Decision
- 24 Support Group -- along with technical information

- 1 and R&D information -- to help analyze R&D
- 2 investment decisions.
- 3 Q. Where does commercial information -- as
- 4 you've described it -- for new pharmaceutical
- 5 products under development come from currently?
- 6 A. It comes from -- for instance, if it's a
- 7 neuroscience compound, we have a neuroscience
- 8 commercial franchise that has responsibility for
- 9 sales forecasts for on-market product as well as
- 10 sales forecasts for products in development.
- So it would come from that group.
- 12 Q. And how many such groups are there within
- 13 the pharmaceutical?
- 14 A. Yes. We probably have -- we call them
- 15 commercial franchises. There are, probably, 12 or
- 16 so commercial franchises.
- 17 Not all of those commercial franchises do
- we have active R&D investments going on. So only
- 19 from the franchises where we have active R&D
- 20 investments would information come in. The other
- 21 franchises focus primarily on on-market assets.
- 22 Q. Mr. Hendricks, briefly, what is your
- 23 educational background?
- 24 A. A Bachelor of Science in Biology, a

- 1 Doctor of Veterinary Medicine, a Master's in
- 2 Business Administration.
- 3 Q. When did you obtain your BS?
- 4 A. The BS was obtained in 1977; veterinary
- 5 degree in 1981; Master's in Business Administration,
- 6 **1987**.
- 7 Q. Where did you work before you were
- 8 employed by Abbott?
- 9 A. I worked downtown, here, at a consulting
- 10 firm, Booz, Allen & Hamilton. I was a strategy
- 11 consultant.
- 12 Q. Have you worked for Abbott continuously
- 13 since 1990?
- 14 A. Yes, I have.
- 15 Q. All right. Mr. Hendricks, is it your
- 16 understanding that you've been designated to speak
- on Abbott's behalf with respect to certain
- 18 categories in Notices of Deposition that were sent
- 19 to Abbott?
- 20 A. Yes.
- 21 MR. DAVIS: Let me mark this. Please would
- 22 you mark this as Exhibit No. 1.
- 23 Actually, hand it over to her; and she'll
- 24 mark it and give it back to you.

- 1 (WHEREUPON, a certain document was
- 2 marked Hendricks' Deposition
- 3 Exhibit No. 1, for identification,
- 4 as of 04-27-2007.)
- 5 BY MR. DAVIS:
- 6 Q. Mr. Hendricks, you have Exhibit No. 1.
- 7 Have you seen this Notice of Deposition
- 8 before?
- 9 A. Yes.
- 10 Q. Now, I seek your confirmation.
- 11 MR. DAVIS: And, Eric, feel free to chime in
- 12 here if I've got it wrong.
- 13 MR. LORENZINI: Mm-hmm.
- 14 BY MR. DAVIS:
- 15 Q. But it's my understanding that you've
- been designated to sit and testify on Abbott's
- 17 behalf with respect to categories beginning at
- page 4 of the Notice of Deposition -- Categories 7
- 19 through 12 of this Notice of Deposition.
- 20 Would you look at those categories and
- 21 confirm?
- A. Items 7 through 12?
- Q. Correct.
- A. Yes. This is my understanding.

- 1 Q. Are there any other categories of this
- 2 Notice of Deposition that you're being -- you are
- 3 here to testify about, to your knowledge?
- 4 A. No.
- 5 MR. DAVIS: Let's mark this as the next
- 6 exhibit, please.
- 7 (WHEREUPON, a certain document was
- 8 marked Hendricks' Deposition
- 9 Exhibit No. 2, for identification,
- as of 04-27-2007.)
- 11 BY MR. DAVIS:
- 12 Q. Mr. Hendricks, you have what's been
- 13 marked as Exhibit 2.
- 14 Would you take a look at this for a
- 15 moment and then confirm for me -- first, have you
- seen this Notice of Deposition before?
- 17 A. Yes, I have.
- 18 Q. All right. It's my understanding that
- 19 you've been designated to testify on Abbott's behalf
- 20 with respect to all of the categories of this Notice
- 21 of Deposition -- which are 1 through 4 -- beginning
- 22 on page 3 of the notice.
- 23 Would you confirm that for me, please?
- 24 A. This is my understanding. This is my

- 1 understanding, yes.
- 2 Q. I would like to start with Exhibit 2 for
- a moment, please, and ask you to look at the very
- 4 first category of this Notice of Deposition which
- 5 asks Abbott to produce a witness to testify about,
- 6 "Abbott's usual policies, practices, procedures, and
- 7 methodologies, as of 2000 and 2001, for projecting
- 8 future sales and revenues for the program compounds
- 9 or other pharmaceutical compounds under development
- 10 by Abbott, including, but not limited to" -- let me
- 11 stop there.
- 12 First, are you aware of the compounds
- that were constituted, "Program Compounds," under
- 14 the agreement between Abbott and John Hancock?
- A. Am I aware, or was I aware of that?
- Q. Let me ask it. Are you aware today?
- 17 A. I couldn't list them. I've seen the
- 18 list.
- 19 Q. Do you know that they include ABT-773?
- 20 A. Yes.
- 21 Q. Do you know that they include ABT-594?
- 22 A. Yes.
- 23 Q. And do you know they include ABT-518?
- 24 A. Yes.

- 1 Q. And if I refer to those just by the
- 2 numbers, to save time --
- 3 A. Okay. Yes.
- 4 Q. -- you understand I'm referring to those
- 5 compounds?
- 6 A. Yes.
- 7 Q. Now, let me ask you first.
- 8 Back in the 2000/2001 time frame, were
- 9 you involved in the process of projecting future
- 10 sales and revenues for these program compounds or
- 11 similar comparable program compounds under
- 12 development by Abbott?
- 13 A. Yes.
- 14 Q. What duties or responsibilities did you
- 15 have in that regard at that time?
- 16 A. The role that I had in Abbott
- 17 International New Product Planning was -- it was
- that responsibility that is relevant here, because
- 19 we would have -- the people in my group, at least --
- 20 would have done sales forecasts from an
- 21 international perspective on these assets.
- Q. How about, when you say, "Abbott
- 23 International" --
- 24 A. Yes.

- 1 Q. -- is that Abbott's operations outside of
- 2 the U.S.?
- A. If you look at the sales potential, from
- 4 a global perspective, you could break it up into the
- 5 U.S. commercial opportunity; and then everything
- 6 else ex-U.S. -- it's the everything else that Abbott
- 7 International was responsible for forecasting.
- 8 Q. Is that the way Abbott typically analyzed
- 9 or put together sales projections or revenue
- 10 projections at that time?
- 11 A. Yes.
- 12 Q. Did you have any responsibility for
- projecting future sales or revenues for compounds
- 14 under development for U.S. -- for the U.S. market?
- A. I did not have responsibility for that.
- Q. Are you aware of how Abbott did that?
- 17 A. Yes.
- 18 Q. Now, going back in time for a second, did
- 19 the -- did Abbott go about developing sales or
- 20 revenue projections for compounds under development
- 21 for the U.S. market versus the ex-U.S. market -- if
- 22 can call it that -- differ back in the 2001 --
- 23 2000/2001 time frame?
- A. Were the practices for developing sales

- 1 forecasts different?
- 2 Q. Yes, for those two different markets.
- A. The general practices were not different.
- 4 Q. All right. So let's talk first.
- 5 How did Abbott go about, in that time
- 6 frame, putting together sales of revenue projections
- 7 for compounds under development?
- 8 A. There are commonalities, in the practice
- 9 methods, that would apply to all compounds
- 10 regardless of whether or not they were early phase
- or later phase. And then there are some differences
- depending on the phase. So I can speak to the
- 13 commonalities first.
- One thing that is common to all
- 15 commercial forecasts is to understand the current
- market dynamics in terms of number of patients,
- 17 epidemiological trends, key compounds that are being
- 18 prescribed, pricing of those compounds,
- 19 competitors -- who's selling those compounds -- in
- 20 both U.S. and ex-U.S. markets.
- 21 So regardless of whether or not we were
- 22 doing a commercial forecast for an early phase
- compound or a late phase compound, that is what you
- 24 would do.

- 1 Then you would also extrapolate into the
- 2 future with the current market dynamics to
- 3 understand what the market size, the patient size,
- 4 might be into the future.
- 5 Then to do a forecast for a particular
- 6 compound under development, there would be an
- 7 agreement as to a product profile -- "What are the
- 8 characteristics of this product? What would we hope
- 9 the characteristics would be when it was in the
- 10 marketplace?"
- And with the common assumption of those
- 12 characteristics, then, we would project what the
- sales and share of those compounds would be if
- 14 launched.
- 15 Q. When you refer to the characteristics of
- the product, do you mean the likely profile of the
- 17 product?
- A. The characteristics of the product would
- be the agreement as to -- generally, you would form
- 20 a base case assumption of what the product profile
- 21 characteristics -- the attributes of the product --
- 22 would be if launched.
- 23 You assume that it's launched. And you
- 24 say, "If this type of product were to be launched,

- 1 what would the sales and share be in the different
- 2 markets?"
- Q. Let me ask first.
- Why did Abbott, back in the 2000/2001
- 5 time frame, attempt to project sales and revenues
- 6 for compounds under development?
- 7 A. Why do they do that?
- 8 Q. Yes.
- 9 A. We're in the business of investments in
- 10 scientific endeavors. And so one of the elements of
- any analysis of any investment decision is to try to
- 12 estimate what would be the commercial return from
- 13 that investment.
- And so to do that one has to do
- 15 commercial forecasts for these products when they
- 16 would be entering the market.
- 17 Q. Were the commercial forecasts that were
- 18 generated within Abbott, in the 2000/2001 time
- 19 frame, actually used by Abbott personnel in making
- 20 decisions about particular program compounds?
- A. The decisions to fund projects, to
- 22 continue projects, are not always scientific
- 23 decisions.
- 24 So at times the forecast valuations --

- 1 the investment analyses -- are some of the
- 2 information that management uses in making
- 3 decisions.
- 4 Q. Is it fair to say, Mr. Hendricks, that
- 5 the reason why Abbott put together commercial
- 6 projections, as you mentioned, is that that
- 7 information is necessary or useful in order for
- 8 Abbott personnel to make informed decisions about
- 9 particular compounds under development?
- MR. LORENZINI: Objection to the form of the
- 11 question. You can answer.
- 12 BY THE WITNESS:
- A. The reason that forecasts were made --
- 14 the reason that Abbott funded a group to do
- 15 commercial forecast -- is that senior management
- 16 felt that that information was helpful in making
- 17 those types of decisions.
- 18 BY MR. DAVIS:
- 19 Q. Including decisions about whether to
- 20 proceed with the development of a particular
- 21 compound; is that right?
- 22 MR. LORENZINI: Objection to form.
- 23 BY THE WITNESS:
- A. The decision whether to proceed sometimes

- 1 can be a simple scientific information making the
- 2 decision for you. If the compound shows
- 3 characteristics that you don't like or that the
- 4 regulatory agencies wouldn't approve, it's very
- 5 easy.
- Other times you use the commercial
- 7 information to verify that continued investment
- 8 makes sense.
- 9 BY MR. DAVIS:
- 10 Q. To your knowledge was information
- 11 generated by the DSG group or other groups within
- 12 Abbott?
- 13 The commercial projections, was it
- 14 actually used by Abbott executives or Abbott
- 15 management in making decisions about compounds?
- A. This type of information was presented,
- 17 along with a host of other information, to senior
- management when they would make these decisions.
- 19 Q. Did you observe, at points in time,
- 20 Abbott management utilizing the information for
- 21 purposes of decision making?
- 22 A. I observed that, when it came time for a
- 23 decision, management would evaluate scientific
- 24 information -- as well as commercial information,

- 1 investment analysis information, a wide variety of
- 2 things they would use -- and then come to a
- 3 decision.
- 4 Q. Looking at, again, Exhibit No. 2, the
- 5 first category -- the first Subcategory 1 -- is,
- 6 "How Abbott considered or analyzed market
- 7 opportunities for such compounds." Now, you've
- 8 already given me, I think, some of that.
- 9 Is there more information that you can
- 10 provide on that topic other than what you've already
- 11 testified to?
- 12 A. There is more information, more detail,
- to further refine it. But the basic process is as
- 14 I've described.
- 15 Q. What sources of information did Abbott
- 16 utilize? And let me go back for a second.
- 17 I'm going to be asking you about the
- 18 2000/2001 time frame.
- 19 A. Right.
- 20 Q. You can assume that for all of my
- 21 questions.
- A. All right.
- 23 Q. You agree? So that way I don't have to
- 24 repeat it each time.

- 1 A. I understand.
- 2 Q. If I'm going to change the time at --
- 3 A. Yes.
- 4 Q. -- any point in time, I will let you
- 5 know.
- A. All right. 6
- 7 MR. DAVIS: Too fast?
- 8 THE REPORTER: Yes, it was too fast. Just one
- 9 at a time.
- 10 THE WITNESS: Sorry. Sorry.
- 11 MR. DAVIS: Sorry.
- 12 BY MR. DAVIS:
- Q. What sources of information did Abbott 13
- 14 rely upon for purposes of analyzing or coming up
- 15 with market opportunities for compounds under
- 16 development?
- 17 A. Secondary market research -- which is
- 18 considered off-the-shelf purchased market research
- 19 or market data that characterizes patient
- 20 demographics -- competitor sales information.
- 21 With respect to projecting the sales of
- 22 an actual compound, then, in that market, Abbott
- 23 would use the internal judgment of commercial people
- 24 as to how good they think that product would do,

- 1 various forms of primary market research.
- When you go out and you actually -- the
- 3 term, "primary," refers to Abbott going out and
- 4 asking specific market research questions of
- doctors, patients, whatever, to get their opinion as
- 6 to how good a product profile looks compared to
- 7 other things on the market.
- 8 Q. In trying to come up with commercial
- 9 projections -- actually, let me confirm.
- 10 Commercial projections, as you've used
- that term here today, includes future sales and
- 12 revenue projections for particular compounds?
- 13 A. Yes.
- 14 Q. Would it include more than that?
- 15 A. Commercial projections will include more
- than that, yes, because you have to then say, "Based
- on the sales, what would the profit be that that
- 18 sales would generate?"
- 19 So that would involve other assumptions
- 20 on costs of goods, distribution costs. But they're
- 21 all related to the same sales assumptions.
- 22 Q. But the sales of revenue assumptions or
- 23 projections would be encompassed within commercial
- 24 projections, correct?

- 1 A. Yes.
- 2 Q. And then let's talk in terms of
- 3 commercial projections; and if there is a
- 4 distinction, please let me know.
- 5 When obtaining information for purposes
- 6 of coming up with commercial projections for
- 7 compounds under development, did Abbott attempt to
- 8 rely upon the best available information?
- 9 A. Yes.
- 10 Q. And in coming up with commercial
- 11 projections for various compounds under development,
- 12 did Abbott attempt -- to the best of its ability --
- 13 to come up with what it regarded as realistic
- 14 projections?
- 15 A. Yes.
- 16 Q. Do you think that, generally, Abbott
- 17 accomplished that in the 2000 to 2001 time frame?
- 18 A. Yes.
- 19 MR. LORENZINI: Objection.
- 20 BY THE WITNESS:
- 21 A. Oh, sorry.
- 22 MR. LORENZINI: Objection. Form.
- 23 BY THE WITNESS:
- 24 A. Sorry.

- 1 product -- potentially competing with the product
- 2 that we were analyzing.
- 3 Q. Was that analysis performed on an
- 4 indication-by-indication basis for a particular
- 5 compound under development?
- 6 A. Yes.
- 7 Q. And that information was, then, factored
- 8 into the commercial projections?
- 9 A. Yes.
- 10 Q. You mentioned a moment ago that there was
- 11 independent or third-party data that Abbott would
- 12 rely upon?
- 13 A. Yes.
- 14 Q. Where did Abbott -- let me take a step
- 15 back for a moment.
- Did Abbott subscribe, in the 2000/2001
- 17 time frame, to any particular providers or services
- 18 of such data?
- 19 A. Yes.
- Q. Which ones?
- A. I cannot give you a comprehensive list;
- 22 but I can tell you the key ones.
- 23 IMS data, which is for on-market sales
- 24 data. You know, I can't -- I can't recall other

- 1 specific services. But of on-market data that was
- 2 the main.
- There are any number of report services
- 4 that project out into the future, both provided by
- 5 IMS and others that Abbott subscribed to. I can't
- 6 recall the specific ones.
- 7 Q. Does Abbott still use IMS?
- 8 A. I believe so. But I'm not involved in
- 9 commercial forecasting. Most of the -- most of the
- 10 pharm industry -- it's my understanding -- uses
- 11 that.
- 12 Q. Have you found the IMS data to be
- 13 reasonably accurate over time?
- 14 MR. LORENZINI: Objection to form.
- 15 BY THE WITNESS:
- A. Well, we're talking about the 2000 time
- 17 frame. And so IMS data is better for the U.S.
- markets than ex-U.S. markets. That was our feeling
- 19 at the time.
- 20 BY MR. DAVIS:
- 21 Q. However, Abbott used it for both?
- A. Yes. Internationally, we also used some
- 23 additional ex-U.S. sources. But I don't recall the
- 24 names of them.

- 1 Q. All right. How did Abbott go about
- 2 considering or analyzing the likelihood of
- 3 regulatory success for compounds under development?
- 4 A. We met with our regulatory people. And
- 5 they were the primary people who assessed the
- 6 probability of regulatory approval.
- 7 Q. Did -- let me take a step back, again,
- 8 for a moment.
- 9 The commercial projections that we're
- 10 discussing, in the 2000/2001 time frame, were those
- 11 projections generally performed by DSG?
- 12 A. No.
- 13 Q. Those projections were performed, at that
- 14 point in time, by -- at that point in time, had the
- 15 commercial projection activity been decentralized?
- 16 A. No. At that point in time, there were
- 17 two groups -- one for the U.S., one for the
- 18 ex-U.S. -- that did the commercial projections.
- 19 Q. Did they come up with a joint set of
- 20 projections for a particular product; or did they
- 21 submit independent projections for U.S. versus
- 22 ex-U.S.?
- A. We worked to make sure that our
- 24 assumptions, on the product profile characteristics

- 1 BY MR. DAVIS:
- 2 Q. I'm trying to understand sort of the
- 3 typical manner in which Abbott operated at that
- 4 time.
- 5 So we're talking, again, about 2000/2001.
- 6 In that time frame, how frequently did Abbott put
- 7 together a commercial projection for a compound
- 8 under development back in the 2000/2001 time frame?
- 9 MR. LORENZINI: Objection to form.
- 10 MR. DAVIS: Actually, that's a bad question.
- 11 BY MR. DAVIS:
- 12 Q. Let's take a typical compound that was
- under development back in the 2000/2001 time frame.
- 14 Was it Abbott's practice, at that point
- in time, to each year put together a commercial --
- set of commercial projections, both U.S. and
- 17 ex-U.S., for that compound?
- A. Yes. When I -- and the reason I'm edging
- or pausing -- let me just frame.
- 20 The times that we would put together
- 21 forecasts, in general, would be when a compound came
- to a milestone decision and we had to decide, "Do we
- want to continue the investment?" And so, for every
- compound, that has its own timetable.

- 1 And then, in the course of doing
- 2 annual -- setting annual budgets for the R&D program
- for the next year -- and usually, in the middle of
- 4 the previous year, there would be a sweep, if you
- 5 will, across all projects to revisit their value.
- 6 So -- and that annual sweep is done annually.
- 7 But that's not the only time during a
- 8 year that a particular project's forecast would be
- 9 revisited.
- 10 Q. Is it fair to say that the commercial
- 11 projections would be either created or updated both
- for the annual sort of budgetary process and also
- 13 for specific decision milestones for specific
- 14 compounds?
- 15 MR. LORENZINI: Objection to form.
- 16 BY THE WITNESS:
- A. That's what I was trying to say, that the
- 18 forecast would be refreshed.
- 19 BY MR. DAVIS:
- 20 Q. The annual budgetary process is the
- 21 process that began typically around August of each
- 22 year within Abbott?
- 23 A. It doesn't begin then. In a general
- sense, it has to begin June/July, in order to finish

- 1 by the October time frame, to finalize a budget by
- 2 the end of the year.
- In general, that's the timing. In
- 4 general, that's the timing. But it can vary from
- 5 year to year in terms of the annual process.
- 6 Q. Okay. When the budgets -- strike that.
- When the commercial projections were
- 8 prepared, both for the U.S. and ex-U.S., for a
- 9 budgetary -- annual budgetary sweep, to what entity
- or to what person within Abbott would those
- 11 projections be submitted?
- 12 A. During the 2000 and 2001 time frame,
- there was a group called the Portfolio Analysis
- 14 Group that reported to the R&D controller.
- And the R&D controller in that group was
- 16 responsible for assembling these projections and
- organizing the annual budget process.
- Q. On those occasions, when there was some
- decision milestone coming for a particular compound,
- to whom or to what entity within Abbott were U.S.
- and ex-U.S. commercial projections submitted on
- 22 those occasions?
- A. The project team that was generally
- 24 headed by a development scientist was in charge of

- 1 assembling all of the information relevant to a
- 2 milestone decision.
- 3 And the commercial information and the
- 4 investment decisions, if you will, were ultimately
- 5 funneled to that person and incorporated into
- 6 reviews with senior management.
- 7 Q. Thank you. That helps clarify it.
- 8 Going back for a moment, you mentioned
- 9 the Portfolio Analysis Group. Is there still a
- 10 Portfolio Analysis Group within Abbott?
- 11 A. The Decision Support Group, in around the
- 12 2002 time period, assumed the responsibilities that
- originally the Portfolio Analysis Group and the R&D
- 14 Controller's Department had.
- 15 Q. Did the Decision Support Group still have
- 16 those responsibilities?
- 17 A. Yes.
- 18 Q. Back in 2000/2001, who was the R&D
- 19 controller?
- A. Steve Cohen.
- 21 Q. Who holds that position? Is there such a
- 22 person today?
- 23 A. Yes.
- Q. Who is it today?

- 1 A. Brian Durkin.
- 2 Q. And do you know of other people who have
- 3 held that position since Mr. Cohen?
- 4 A. Yes.
- 5 Q. Who?
- 6 A. Robert Funck, F-u-n-c-k; Tom Lyons;
- 7 Craig Moffait, M-o-f-f-a-i-t. I believe that's how
- 8 you spell his last name.
- 9 Q. Does Mr. Lyons still work for Abbott, to
- 10 your knowledge?
- 11 A. I believe so. I'm not 100 percent
- 12 certain.
- Q. Now, going back, again, to Exhibit No. 2,
- 14 how did Abbott go about considering or analyzing
- 15 commercialization costs for compounds under
- development, such as manufacturing and marketing
- 17 costs, back in the 2000/2001 time frame?
- A. With respect to manufacturing costs, we
- 19 would talk to the scientists -- or the group that
- 20 would be responsible for ultimately manufacturing
- 21 the product -- and get estimates from them on the
- 22 manufacturing costs.
- 23 We would -- with respect to marketing
- 24 costs, that information sometimes came from the

- 1 commercial groups that actually marketed products --
- 2 getting information estimates from them, or just the
- 3 judgment of the people in the groups that were
- 4 responsible for the product forecasting -- because
- 5 they were -- in general, they understood the
- 6 relative marketing costs.
- 7 There were rules of thumb that you would
- 8 use in terms of projecting those costs.
- 9 Q. And that information was then fed into
- 10 the commercial projections?
- A. Yes, the commercial projection, you know,
- 12 starts with the sales forecast; and then you just
- have to decide what are the related costs that those
- 14 sales would need. And so, yes.
- 15 Q. Were those costs calculated on a
- 16 compound-by-compound basis?
- 17 A. Yes. And with respect to indications,
- 18 too.
- 19 Q. All right. Just going back, again, to
- 20 regulatory success for a moment, in coming up with
- 21 commercial projections for compounds, did Abbott
- 22 utilize any sort of success ratios or success
- 23 probabilities for compounds in various states for
- 24 development?

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- 1 A. When I use the term, "commercial
- 2 forecast," I'm not factoring in -- I'm not using any
- 3 risk assumption in that definition.
- 4 Because, remember, I defined a commercial
- forecast as, "You assume the product is launched,"
- 6 then, "What is it worth?" So commercial forecasts
- 7 -- you can only do a commercial forecast on
- 8 something that launches. So you assume that it
- 9 launches with a certain product profile, come up
- with a sales forecast cost and assumption of launch.
- 11 When you do an investment analysis -- to
- 12 understand the investment return on R&D investment
- in a compound -- you factor in all of the R&D
- 14 expenses prior to launch; you factor in all of the
- 15 commercial return, if it launches; and then you
- 16 introduce uncertainty risk projections as to the
- 17 likelihood of launch.
- 18 So I'm distinguishing the commercial
- 19 forecast, which assumes launch, with a certain
- 20 product profile from an investment analysis, which
- 21 would then, if you will, risk adjust -- discount --
- 22 in the investment analysis for the likelihood of
- 23 launching the product.
- 24 Q. Who or what group within Abbott performed

- 1 investment analyses on compounds, as opposed to
- 2 commercial forecasts, back in the 2000/2001 time
- 3 frame?
- 4 A. There was not a group that performed the
- 5 analysis as a standalone group. The Decision
- 6 Support Group, as I mentioned, which -- which
- 7 started unofficially in 1998, but by 2000 we had --
- 8 we started to have Liz, and myself, and others
- 9 working with the teams.
- So a minute ago I mentioned the fact
- that, when a compound was coming up for a milestone
- decision, how the commercial forecasts funneled into
- the project leader. But to be more precise, also,
- 14 what information also was presented at the milestone
- 15 meetings were investment analyses.
- 16 Taking those commercial forecasts one
- 17 step further and translating them into risk-adjusted
- 18 forecasts and return -- risk-adjusted return
- assumptions on investments, the Decision Support
- 20 Group, and I, and Liz helped facilitate bringing
- 21 this type of an analysis as part of the information
- 22 package that the project team leader would, then,
- 23 present to management milestone development
- 24 decisions.

- 1 Q. In coming up with the investment
- 2 analyses, were any sort of success ratios or success
- 3 probabilities utilized?
- 4 A. Yes.
- 5 Q. Where was that information obtained?
- 6 A. The information was obtained by the
- 7 development and regulatory people that were
- 8 responsible for a product sitting down together,
- 9 generally -- this is the general practice -- and
- 10 having a discussion on the likelihood of the project
- being successful at each particular remaining phase
- 12 before it -- discussing the issues, on a qualitative
- basis, as well as distilling that information down
- into a probability of success with each phase.
- 15 That was the general practice.
- Q. Did Abbott, at that point in time, have
- 17 some standard success probabilities for compounds in
- 18 various phases of development?
- 19 A. We had available for reference industry
- 20 benchmark data, from industry sources, as well as
- 21 information on Abbott's own internal historical
- 22 success.
- 23 And I say those are used as references
- 24 because each team would sit down and look at the

- 1 idiosyncrasies of the actual compound at hand --
- 2 come up with judgments specific for that product,
- 3 but have reference with respect to industry and
- 4 Abbott benchmarks.
- Q. Is it fair to say that, in assessing the
- 6 likely success of a particular compound, what Abbott
- 7 personnel would do is, they would take the industry
- 8 benchmarks in Abbott's own history, and then modify
- 9 that or tweak it depending upon their assessment of
- the characteristics or the market for the particular
- 11 compound under consideration?
- 12 MR. LORENZINI: Objection to form.
- 13 BY THE WITNESS:
- 14 A. I have a different view than that as
- to they would sit down and discuss what they thought
- the probabilities were, and then look at the
- 17 industry benchmarks, and -- if they were higher or
- 18 lower than those industry benchmarks -- ask
- 19 themselves, "Could they justify it based upon
- 20 specific information about this particular compound
- 21 that they were analyzing?"
- 22 BY MR. DAVIS:
- 23 Q. So it would be fair to say that the
- 24 industry -- or Abbott's own historical success

- 1 ratios weren't the starting point for the analysis,
- 2 but they were information utilized in the context of
- 3 the analysis?
- 4 A. Yes. That's how I would view it.
- Q. One of the items on Section -- Category 1
- 6 is how Abbott considered or analyzed potential
- 7 profits for compounds under development.
- 8 How did Abbott go about doing that?
- 9 A. You start, first of all, with the sales
- 10 forecasts over the patent life of the product, if
- 11 launched; subtract from that the cost of goods,
- marketing costs, all of the related expenses; and
- 13 you come up with a profit flow over time.
- So it all -- it starts with the sales
- forecasts and then distills down to the profit flow.
- 16 Q. In coming up with potential profits for
- 17 compounds under development, did Abbott utilize sort
- of target or benchmark profit margins?
- 19 A. No. We followed the process that I
- 20 mentioned previously.
- 21 And that is start with the sales
- 22 forecast. And then try to get the best internal
- 23 estimates as to what the manufacturing costs would
- 24 be, try to get the best estimates from talking to

- 1 internal people or using internal experience on the
- 2 marketing expenses. And that then develops the
- 3 profit, the bottom line.
- 4 So we didn't use industry benchmarks on
- 5 that. We used our own internal parameterization, if
- 6 you will, of the sales forecast to derive the
- 7 profit.
- 8 Q. Did Abbott, in the 2001 -- 2000/2001 time
- 9 frame, have particular profit thresholds or floors
- that needed to be met in order for a compound to be
- 11 considered viable or worth developing?
- 12 A. We had no profit floors. Profit -- no.
- 13 Q. You're not aware of any?
- 14 A. No.
- 15 Q. All right. Do you know sort of the
- 16 typical range of profit margins that were sort of
- standard, in the 2000/2001 time frame, for compounds
- 18 under analysis?
- 19 A. What is your definition of, "profit
- 20 margin"?
- 21 Q. Well, we were just talking for a moment
- 22 about analyzing potential profits for compounds. So
- 23 the profit margin would be the profit as a
- 24 percentage of the gross sales.

- 1 In general, the work experience
- 2 background of people that went into those types of
- 3 roles had some sort of pharmaceutical commercial
- 4 experience at some point in time. Even if they
- 5 started out on the sales side of things, they would
- 6 generally have migrated over and had some sort of
- 7 commercial background, in general -- I'm giving you
- 8 generalities -- before they would be put into the
- 9 role of projecting future sales.
- 10 Q. Did you believe, back in 2000/2001, that
- the people who were working on developing U.S.
- 12 commercial projections were reasonably competent and
- 13 had the necessary expertise?
- 14 A. Yes.
- 15 Q. How about is the same true on those
- people who were working on ex-U.S. commercial
- 17 projections?
- 18 MR. LORENZINI: Objection -- no. Go ahead.
- 19 No objection.
- 20 BY THE WITNESS:
- 21 A. They were outstanding, because I hired
- 22 them all. I have no doubt about it.
- 23 BY MR. DAVIS:
- 24 Q. Okay. Are there other factors that

- 1 Abbott considered or analyzed in projecting future
- 2 sales and revenues for compounds under development
- 3 other than what we've discussed here?
- 4 MR. LORENZINI: Objection to form.
- 5 BY THE WITNESS:
- 6 A. I think, in general terms, we've talked
- 7 about all of the relevant factors.
- 8 BY MR. DAVIS:
- 9 Q. In performing the analysis -- the
- 10 analyses of commercial projections that we've
- 11 discussed, physically, how was that done?
- 12 Was it done on computers?
- 13 A. Yes.
- 14 Q. Using what kind of software?
- 15 A. Usually, Excel spreadsheets. Information
- 16 always seems to ultimately end up in Excel
- 17 spreadsheets.
- 18 Q. Were there templates that were utilized
- 19 for purposes of those analyses as starting points?
- 20 A. There were no official standardized
- 21 templates that everyone doing a commercial forecast
- 22 would always use.
- 23 Q. Were there some sort of standardized
- 24 templates that most people used?

- 1 A. No.
- 2 Q. So each person performing an analysis had
- 3 their own sort of methodology?
- 4 A. Yes. In terms of generating the
- 5 analysis -- the forecast mechanics -- now, that's
- 6 true. That's simply the way it was.
- 7 Q. Were there any sort of quality control or
- 8 quality assurance procedures in place, at that point
- 9 in time, to ensure some uniformity of analysis?
- 10 A. My job and the person who was head of the
- 11 U.S. group -- one of the roles of those positions
- 12 was to make sure that the approach, and the
- assumptions, and the data that was used for
- 14 commercial forecasts were reasonable.
- 15 From -- speaking specifically from my
- 16 direct approach, I didn't mandate that all of the
- 17 people that worked for me used one particular
- 18 spreadsheet-type format, but, rather, needed to make
- 19 sure that the relevant issues were considered and
- 20 variables were considered in the particular
- 21 assessment.
- 22 Q. Okay. Let's take a look, if you would,
- 23 at Exhibit A to Exhibit 2.
- 24 Beginning at the first page, have you

- 1 seen these documents before, Mr. Hendricks?
- 2 A. Yes, I have.
- 3 Q. And did you see them before you prepared
- 4 for this deposition here today?
- 5 MR. LORENZINI: Objection to form.
- 6 Are you talking about this specific
- 7 document, or this type of document.
- 8 MR. DAVIS: Well, let me first ask him about
- 9 this specific document.
- 10 BY MR. DAVIS:
- 11 Q. Had you seen this document before you
- 12 prepared for your deposition?
- 13 A. I don't believe so.
- 14 Q. All right. Let me ask you quickly.
- 15 How did you prepare for your deposition
- 16 here today?
- 17 A. I reviewed the written materials -- these
- types of depositions, as well as volumes of written
- materials presented to me. I talked with a few
- 20 individuals. And that's it.
- 21 Q. Who did you talk to?
- 22 A. Liz Kowaluk and Andrea Landsberg.
- 23 Q. Anyone else?
- 24 A. No.

- 1 Q. Now, had you seen this type of document
- 2 before? And, again, I'm referring to Exhibit A to
- 3 Exhibit 2 to your deposition.
- 4 A. Define, "type." I'm not trying to be
- 5 evasive. But this --
- 6 Q. This format?
- 7 A. This format, in general, there were.
- 8 But, specifically, with respect to this
- 9 particular spreadsheet, there were some aspects
- about this spreadsheet that I don't recall seeing on
- 11 previous types of templates like this.
- 12 Q. But what is this document?
- A. I'm not sure exactly. I mean, what is
- 14 it? I can tell you what it's about. I can tell you
- 15 what it appears to be projecting.
- 16 Q. Mm-hmm.
- 17 A. I don't know what time frame. All I
- can -- I could guess the time frame based upon the
- 19 timeline of the sales forecasts and the costs.
- 20 Q. Okay. Well, let me ask.
- 21 What effort did you make, before your
- 22 deposition here today, to trace the origin of this
- 23 document?
- 24 A. I made -- I looked back through all of my

- 1 internal documents and -- to see if I could find
- 2 something that looked exactly like this in my
- 3 records.
- 4 And I could not find something that
- 5 looked exactly like this; but it had a resemblance
- 6 in terms of the basic layout of the template. I'm
- 7 familiar with the basic layout of the template.
- 8 Q. What organization or what person within
- 9 Abbott generated documents of this type back in the
- 10 2000/2001 time frame?
- 11 A. This type of document would have been
- 12 generated -- this basic type of document format --
- in Excel. This is a -- it looks like an Excel
- 14 spreadsheet could have been generated for a
- 15 portfolio review during the annual budget process.
- And that would have been, as I mentioned, the
- 17 responsibility of the Portfolio Analysis Group under
- 18 Steve Cohen.
- We started using templates like this to
- 20 assemble sales projections and P&L projections, cost
- 21 projections, for the analysis sometimes of assets at
- 22 milestone reviews.
- 23 Q. Was this particular document developed
- 24 for either an annual budget review or a -- one of

- 1 those milestone reviews?
- 2 A. I don't know.
- 3 Q. This document was definitely prepared by
- 4 someone within Abbott, correct?
- 5 A. I can identify people that likely
- 6 submitted some information.
- Now, when you say, "prepare," what do
- 8 you -- what is your definition of, "prepare"? I
- 9 mean, who actually assembled this?
- 10 Q. Someone or some organization within
- 11 Abbott created this document. Do you agree with
- 12 that?
- 13 A. It appears.
- 14 Q. Well, is that Abbott's -- you're
- appearing today on behalf of Abbott.
- And so I think we're entitled to know
- 17 whether this document was created by Abbott. Do you
- 18 know the answer to that question?
- 19 MR. LORENZINI: I can stipulate that this was
- 20 produced from Abbott's files.
- 21 BY MR. DAVIS:
- 22 Q. My question is a little bit different,
- though. Was this document created by someone within
- 24 Abbott?

- 1 Q. But let me follow up with you,
- 2 Mr. Hendricks, and see what information you can
- 3 provide. And then we can talk about it later.
- 4 All right. You said you recognized,
- generally, this format; is that correct? 5
- 6 A. Yes.
- 7 Q. All right. And this is a format that the
- 8 Decision Support Group used on occasion back in the
- 9 2000/2001 time frame?
- 10 A. Let me be very specific so you can
- 11 understand why.
- 12 When I looked at this, 90 percent of it
- 13 looked very familiar in terms of the format that the
- 14 Decision Support Group would use. If you look down
- 15 at the bottom right-hand corner --
- 16 Q. Yes.
- 17 A. -- at the, "Success Probabilities,"
- 18 chart --
- 19 Q. I see that, mm-hmm.
- 20 A. -- all of those things, we never -- we
- 21 never stuck that information on our worksheets.
- 22 Q. Mm-hmm.
- 23 A. The form of these worksheets, outside of
- 24 that, was very similar to worksheets that my

- 1 commercial people -- for instance, Anil -- would
- 2 feed information into that we sometimes used in the
- 3 Decision Support Group to collect information.
- 4 So that's why I was saying this looks
- 5 very familiar. Except, when I saw that component, I
- 6 realized that I had not prepared this type of sheet,
- 7 nor did anyone in the support group. That's why I
- 8 speculated that it would have been the Portfolio
- 9 Analysis Group; but I could not find anyone that had
- any archives of that information.
- 11 Q. Looking, again -- right now we're talking
- 12 about the page that's Bates numbered, in the lower
- 13 right-hand corner, 3362.
- Do you have that page in front of you?
- 15 A. Yes.
- 16 Q. Now, again, you made reference a few
- moments ago to some of the people in the, "Contact
- 18 Information," box in the upper right-hand corner.
- 19 A. Yes.
- 20 Q. Did Lori Taylor work for you back in the
- 21 2000/2001 time frame?
- 22 A. For about three months. And the reason I
- 23 say that -- I'm not trying to be evasive. This is a
- 24 fact.

- 1 She worked for the U.S. New Product
- 2 Development Group. Okay. I was in charge of the
- 3 International Group except for a three-month period
- 4 in -- I think it was -- 2001 when the director of
- the U.S. New Product Group left and they decided to 5
- 6 have everyone report to me for about a three-month
- 7 period. And then they disbanded all of the
- 8 centralized forecasting and disseminated it.
- 9 So that's why, for the most part, she did
- 10 not work for me. She actually did work for me for
- 11 three months. But during the time frame that this
- 12 looks to have been, I mean, she may or may not have
- 13 worked for me.
- 14 But, in general, she didn't work for me.
- 15 Anil was the guy that worked for me for many years.
- 16 Q. How about Anita Bakker?
- 17 A. She didn't work for me. And I never
- 18 really had any contact. I didn't know. I didn't
- 19 recognize the name when I saw her on here.
- 20 Q. From looking at this form and the
- 21 information on this form, is it reasonable to
- 22 conclude that Lori Taylor was the source of
- 23 information concerning the domestic or U.S. sales
- 24 and revenues that are included in this document?

- 1 A. I can't say that. I mean, I think what
- 2 we can conclude is -- and it would be a matter of
- 3 record at Abbott -- whether or not she was in the
- 4 role of a new product development person.
- 5 Whether or not she generated this actual
- 6 sales forecast that was assembled in this actual
- 7 exhibit I can't say for sure.
- 8 Q. Well, does her name -- the inclusion of
- 9 her name, in the contact information, give -- cause
- you to reach any conclusions on that point?
- 11 A. It would suggest -- it would suggest that
- 12 she would provide the U.S. information. And Anil
- would have provided -- that was my assumption, when
- 14 I looked at this, that they provided their
- 15 respective information.
- Q. Okay. Do you think that's a reasonable
- 17 assumption based on what you understand to be the
- 18 procedures and what you see here?
- 19 A. It is a reasonable assumption, I think.
- 20 Q. And what role would Anita Bakker play as
- 21 the R&D contact?
- A. She was likely an R&D operations person,
- 23 someone that was in charge -- knew the cost
- 24 projections -- because she would have provided that

- 1 R&D information.
- 2 Q. Now, looking at this document, this
- 3 document is specific to a particular compound,
- 4 ABT-518, correct?
- 5 A. Mm-hmm.
- 6 Q. Okay. I'm sorry. Can you verbalize your
- 7 response?
- 8 A. Yes. I'm sorry. Yes.
- 9 Q. Can you tell me, in looking at this
- 10 document, approximately, the time period within
- 11 which it was prepared?
- 12 MR. LORENZINI: Objection. Calls for
- 13 speculation.
- 14 BY MR. DAVIS:
- 15 Q. I don't want you to speculate,
- 16 Mr. Hendricks, at any point in time, please.
- 17 If you can, tell me -- to best of your
- 18 ability -- when you believe this document was
- 19 prepared based on what you see here.
- 20 A. To what level of precision?
- 21 Q. The best level of precision you can
- 22 provide, sir.
- 23 A. Okay. All right. I could only say with
- 24 precision that it could have been prepared in 2000

- 1 or 2001.
- 2 Q. What causes you to reach that conclusion?
- A. The, "Year 0," of this is 2000. There
- 4 are no cost projections in 2000. So that suggests
- 5 to me -- from the point of view of this forecast --
- 6 it was a prospective forecast to reflect expenses
- 7 and then ultimate sales from the year 2001 onward.
- 8 This forecast could have been prepared in
- 9 2000, or it could have been prepared in 2001 at some
- 10 time.
- 11 Q. And when you refer to costs in this
- document, which portion of the document are you
- 13 referring to?
- A. Well, yes. I should be specific. The
- 15 R&D costs, if you go down -- this is, basically, a
- 16 P&L -- profit-and-loss forecast -- pro forma.
- 17 So costs -- the R&D costs have their own
- 18 line. That comes below, "Division Margin." Those
- 19 numbers would have been provided, probably, by Anita
- 20 Bakker.
- 21 So those annual costs are shown in the
- 22 P&L portion. And then you can see that those same
- costs appear to be broken out down below by phase.
- 24 It's a different way of characterizing those costs.

- 1 Q. Let me just stop you there for a second.
- 2 You said you saw the cost under,
- 3 "Division Margin." Did you mean, "Distribution
- 4 Margin"?
- 5 A. Yes. I'm sorry. I can read.
- 6 It's under, "Distribution Margin."
- 7 Division Margin is the ultimate bottom line before
- 8 taxes.
- 9 Q. All right. And so what we see are costs
- 10 beginning pretty much under, "Distribution Margin."
- 11 And then, again, they appear, again --
- 12 with a further breakdown -- in the box that's
- 13 titled, "Preclinical," and then goes on with the
- 14 other phases?
- 15 A. Yes.
- 16 Q. So those aren't cumulative costs. Some
- of them are duplicative, is that right, that we see
- 18 in that column?
- 19 A. "Year 1" -- each year is a discrete cost.
- 20 And then the breakout, by preclinical sums to the
- 21 total, is seen up above.
- 22 Q. And then near the top we have -- again,
- 23 by the way, this is titled, "Total Base."
- 24 Does that mean this is a base case

- 1 scenario?
- 2 A. That would be my presumption.
- 3 Q. What is a base case scenario?
- 4 A. A base case is -- can mean different
- things at different points in time. 5
- 6 But, in general, if you're going to do
- 7 one scenario, it's always called the base case. You
- 8 know, that's the starting point.
- 9 You may or may not develop other
- 10 scenario's higher or lower. But it represents a
- 11 starting point assumption set -- what your base is
- 12 starting from.
- 13 Q. All right. Is it fair to say that in
- 14 the -- oftentimes, in these analyses, there are
- 15 three different cases, correct?
- 16 There is a base case, and then, maybe, a
- 17 high case, and a low case. Is that your experience?
- 18 MR. LORENZINI: Objection to form.
- 19 BY THE WITNESS:
- 20 A. My experience -- my experience with
- 21 Abbott is that Abbott has varied over time as to the
- 22 level of granularity that they project things at.
- 23 Sometimes we've just done base case, one
- 24 forecast. Other times -- and this I could speculate

- 1 based upon this, (indicating). In this time frame,
- 2 they may have done upside and downside.
- 3 BY MR. DAVIS:
- 4 Q. Well, if you look at the following page,
- for example, you see there is another page titled --
- 6 A. Yeah.
- 7 Q. -- "Total-Upside." Do you see that?
- 8 And then the following page is another
- 9 one titled, "Total-Low." Do you see that?
- 10 A. Yes.
- 11 Q. So it's fair to say that what the base
- 12 case represents here is sort of the moderate case
- 13 between the high and the low; is that right?
- 14 MR. LORENZINI: Objection to form.
- 15 BY THE WITNESS:
- 16 A. It is base always. If there is a high
- and a low articulated for, base will always be
- 18 somewhere in between.
- 19 BY MR. DAVIS:
- Q. And is it also fair to say that base case
- 21 is the one that is, probably, the most realistic of
- 22 the cases?
- 23 A. No.
- 24 Q. "No"?

- 1 A. I don't draw that distinction.
- 2 Q. Is the idea behind generating a base case
- 3 to come up with one that the parties think is the
- 4 most likely case?
- 5 The definition of base case meant
- 6 different things to different people. It really
- 7 does. That's all I can say.
- 8 It's not the most likely. In fact, you
- 9 could argue that the downside -- in terms of the
- 10 easiest to hit -- is sometimes easier, more likely
- 11 to occur. But we're mixing probabilities and
- 12 forecasts here.
- 13 When you talk about a base case upside
- 14 and downside, all it is is three different product
- 15 profile assumptions. The most attractive one is the
- 16 upside. The least attractive one is the downside.
- 17 And the base case has product attributes that fall
- 18 somewhere in between.
- 19 Therefore, the commercial -- the sales
- 20 forecasts associated with those tend to be, as you
- 21 say, the upside and downside.
- 22 Q. Is it also fair to say that the upside
- 23 case generally represents the more aggressive
- 24 assumptions?

- 1 MR. LORENZINI: Objection to form.
- 2 BY THE WITNESS:
- 3 A. What do you mean by -- could you please
- 4 define, "aggressive"?
- 5 BY MR. DAVIS:
- 6 Q. Yeah. Well, have you heard that term
- 7 used, in terms of sales forecasts, before --
- 8 "aggressive sales forecasts"?
- 9 A. Yes.
- 10 Q. Is it fair to say that, in trying to come
- up with an upside case for a particular scenario,
- that particularly more aggressive or more optimistic
- 13 forecasts are used?
- 14 A. "Optimistic," is probably a word at a
- 15 given point in time. It's a forecast that is more
- optimistic -- has, probably, a lower chance of
- 17 occurring, but has a chance of occurring.
- 18 Q. Probably? Has a lower chance of
- occurring than the base case; is that fair to say?
- 20 MR. LORENZINI: Objection to form.
- 21 BY THE WITNESS:
- A. Let me make sure I'm precise in my
- 23 answer.
- 24 The probability of achieving the base

- 1 case -- at least, the base case or better -- is
- 2 greater than achieving the upside or better.
- 3 BY MR. DAVIS:
- 4 Q. And then let's talk about the low case.
- 5 A. Yes.
- 6 Q. Is it fair to say that the low case
- 7 reflects sort of the least optimistic or the most
- 8 pessimistic perspective -- a more pessimistic
- 9 perspective than the base case?
- 10 A. Yes. And it is a less -- it's a less
- desirable outcome from a commercial point of view.
- 12 Pessimistic is a subjective term. But I think, in
- terms of probability of outcome -- and, now, the
- reason I'm defining it this way is to show, from a
- decision analysis point of view, what these terms
- 16 really mean.
- When you talk about a low profile, it is
- a less desirable set of product attributes than in
- the base or the upside. From a probability of the
- 20 product achieving, at least, as good as the low or
- 21 better, it's actually the highest probability
- 22 outcome of, at least, doing that well.
- 23 But if you achieve that outcome, it has
- 24 the least commercial value to you.

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- 1 It's the most likely outcome simply
- 2 because it's the low water mark, correct?
- 3 MR. LORENZINI: Objection. I think that
- 4 mischaracterizes the testimony.
- BY THE WITNESS: 5
- 6 A. I didn't mean to say that's why, I mean,
- 7 because you're actually asking terms that require a
- 8 bit of precision in terms of really understanding
- 9 what it means.
- 10 BY MR. DAVIS:
- 11 Q. Mm-hmm. Well, let me stop you there for
- 12 a moment.
- 13 What I'm trying to assess and ask you to
- 14 tell me is the extent to which the low base or
- 15 upside cases reflect relative possibilities or
- 16 probabilities of outcome.
- 17 A. You can't link the terms low, base, and
- 18 upside. You can't say that, necessarily, in terms
- 19 of -- if you define the low probability, the low
- 20 profile, in terms of what is the probability of
- 21 achieving that or better, then it has -- that
- 22 definition has the highest probability of
- 23 occurring -- of achieving, at least, as good as the
- 24 low or better because that allows for the

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- 1 probability of achieving the base and the upside in
- 2 that definition.
- 3 Q. Correct.
- 4 A. Okay. No. But that's -- I mean, I'm
- 5 trained in decision analysis. And so, frankly, when
- 6 we see the terms, "probabilities of success and
- 7 outcomes," if you're going to say, "Well, what's the
- 8 likelihood of the low case occurring," well, the
- 9 likelihood of that exact event occurring may not be
- 10 a large probability.
- But if you say, "the probability of that
- or better occurring," that is the highest
- probability outcome. It's a paradox that has to do
- 14 with how you define your probability and what
- 15 outcome you're defining.
- 16 Q. Assuming -- take for a moment out of that
- equation the, "or better," piece of it.
- 18 A. Yes.
- 19 Q. So if you're just talking about which of
- 20 the three outcomes -- the low, the base, or the
- 21 upside -- is most likely to be the outcome, is it
- the base, the low, or the upside?
- MR. LORENZINI: Objection to the form.
- 24 BY THE WITNESS:

- 1 A. The answer -- from a true decision
- 2 analysis point of view -- is, you cannot say.
- 3 BY MR. DAVIS:
- 4 Q. So there is no --
- 5 A. There is no -- you cannot draw any
- 6 conclusion for the likelihood of that particular
- 7 event occurring.
- 8 Q. So is it your testimony that the low, the
- 9 base, and the upside all have the same likelihood of
- 10 outcome?
- 11 A. I did not say that either.
- 12 Q. Okay. So how do they differ?
- A. How do they differ?
- 14 Q. Yes. If they don't have the same
- 15 likelihood, how do they differ in relative terms?
- MR. LORENZINI: Objection to form.
- 17 BY THE WITNESS:
- A. If you sit down with a team and you say,
- "Okay. Let's define an upside probability" -- I
- 20 mean, if you want to get into the true decision
- 21 analysis explanation, I mean, there is a simple --
- 22 I'm not trying to be evasive. There is, actually,
- 23 an explanation.
- 24 If you think of a probability

- distribution of outcomes -- you know, the normal
- 2 bell shape, okay -- and if you put the low on one
- 3 side, the base in the middle, and the upside on the
- 4 far end, and you actually -- from a decision
- 5 analysis point of view -- if you ask, "What is the
- 6 probability of any single event occurring," you
- 7 actually can't define that.
- 8 This is -- that's why you have to --
- 9 there is a misconception and a misinterpretation
- when one sees probabilities associated with
- 11 outcomes. So one thing is for sure, that you cannot
- say that the probability of a low event occurring is
- any more or greater than the probability of the high
- 14 event occurring.
- 15 You can with precision describe a
- difference of the probability of that low or better
- 17 occurring because now you're describing a range of
- probability of outcomes. And that just, from a
- decision analysis and mathematical point of view, is
- a valid statement.
- 21 To say something -- the probability of
- something is, at least, as good as low occurring,
- or, at least as good as base occurring, or, at least
- as good as the upside occurring, that I can say with

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- 1 precision. I can differentiate for you the
- 2 likelihood of those things.
- 3 But I cannot tell you, based on this
- 4 information or in general principles, what the
- 5 probability of a low outcome, low base case
- 6 assumption. A low profile assumption has a greater
- 7 or lesser probability of occurring.
- 8 BY MR. DAVIS:
- 9 Q. Let me direct your attention back to this
- 10 page for a minute. And we'll stop in a few minutes
- 11 to change the tape.
- 12 A. "This page," being?
- 13 Q. "This page," being No. 3362.
- 14 A. Okay.
- 15 Do you have any information regarding
- 16 sort of the -- let me take that back.
- 17 The domestic and international sales
- 18 numbers that we see reflected here, where did those
- 19 come from?
- 20 A. Yes. Those would have come from the
- 21 U.S. The domestic sales would have come from,
- 22 probably, Lori Taylor/Lisa Lux. Both of them had
- 23 responsibility for -- in the New Product Development
- 24 Group in the U.S., they would have developed their

- 1 sales forecast.
- 2 With the same -- with whatever the
- 3 attributes were in the base profile, they would have
- 4 assumed that and developed a sales forecast. Anil
- 5 would have taken the same assumption of product
- 6 attributes and calculated what the ex-U.S. sales
- 7 would likely be.
- 8 Q. And do the sales numbers that we see
- 9 reflected in this document represent realistic sales
- 10 projections as of the time that this document was
- 11 prepared?
- 12 MR. LORENZINI: Objection to form. You're
- 13 talking about this specific document?
- 14 MR. DAVIS: Yes.
- 15 MR. LORENZINI: Objection.
- 16 **BY THE WITNESS:**
- 17 A. I can say with certainty that, when we
- 18 put together -- when Anil put together sales
- 19 forecasts, that I would only approve forecasts that
- 20 I thought were realistic for the profiles being
- 21 examined.
- 22 BY MR. DAVIS:
- 23 Q. Where would we go to find the profile
- 24 being examined for this particular compound?

- 1 A. I'm just not sure. I mean, it's hard to
- 2 say what the profile assumptions were because
- often -- when the Decision Support Group, for
- 4 instance, was doing an analysis -- we might have a
- 5 spreadsheet like this with base as an attachment.
- 6 But somewhere in our documentation we
- 7 would have the exact profile of base defined so that
- 8 there would be no confusion as to what the
- 9 assumptions were of the product profile that was
- 10 forecast.
- 11 Q. Well, some of the product profile is some
- of the information that's reflected in this
- 13 document.
- 14 For example, under, "Development
- 15 Timeline," do you see that?
- A. Yes. But when I talk about, "product
- 17 profile" -- you're right. The launch time frame is
- one aspect of the product profile.
- 19 Specifically, though, the information
- 20 with respect to what type of efficacy was assumed in
- 21 the base case -- what type of side effects, other
- 22 things like that. That's very important to make
- 23 sure that, when you say, "Was this a reasonable
- 24 forecast," part of it is, you have to link it back

- 1 to that definition. Absent that you can only
- 2 speculate.
- 3 VIDEO TECHNICIAN: Sorry. I have to stop.
- 4 The tape has run out.
- 5 MR. DAVIS: Okay. Stop.
- 6 VIDEO TECHNICIAN: Going off the video record
- 7 at 11:15 a.m.
- 8 (WHEREUPON, a recess was had.)
- 9 VIDEO TECHNICIAN: And we are back on the
- 10 video record at 11:24 a.m. This is Tape 2.
- 11 BY MR. DAVIS:
- 12 Q. Mr. Hendricks, before we broke, you
- mentioned that you thought that the document that we
- 14 were reviewing -- which begins on Bates Page 3362 --
- 15 you thought that, if Anil had participated in the
- development of these numbers, that they would be
- 17 realistic?
- 18 A. Yes.
- 19 Q. When you refer to something as,
- 20 "realistic," do you also mean reasonable?
- 21 A. That's what I meant, reasonable.
- 22 Q. And then is it true that, back in the
- 23 2000/2001 time frame, that Abbott -- for each
- 24 program compound or each compound that Abbott had

- 1 under development, there was a sort of typical or
- 2 approved product profile at that point in time?
- 3 A. All of the products that were evaluated,
- 4 in the development portfolio, would have a base case
- 5 product profile developed.
- 6 That was, if you will, you have to do
- 7 that before you can start forecasting or talking
- 8 about probabilities, because it all revolves around,
- 9 "What are the assumptions?"
- 10 Q. Is it fair to assume that this document
- 11 entitled, "Total Base," is based upon the base case
- 12 product profile that existed at the time this
- 13 document was prepared?
- MR. LORENZINI: Objection as to form.
- 15 BY THE WITNESS:
- 16 A. That would be my assumption.
- 17 BY MR. DAVIS:
- 18 Q. Is that a reasonable assumption?
- 19 A. That is reasonable.
- Q. Were there low and upside product
- 21 profiles within Abbott at that point in time?
- 22 MR. LORENZINI: Objection to form.
- 23 BY THE WITNESS:
- A. We were at the transition point. If you

- 1 said, "In 1999/2000 was it common for us to do
- 2 upside, downside profiles," no.
- We migrated to a recommendation, an
- 4 approach, that said we should have -- we should
- 5 develop more robust assumption sets on these
- 6 products. And for a period of time -- primarily
- during 2001, maybe into 2002 -- we asked teams to do
- 8 upside/downside forecasts.
- 9 At a certain point in time, there
- 10 actually was a lot of pushback by commercial. There
- was a lot more forecasting, a lot more. So we
- abandoned that as kind of a routine thing.
- But in about this time frame, we were
- 14 doing upside/downside profile assumptions and
- 15 forecasts.
- 16 BY MR. DAVIS:
- 17 Q. Can you tell, looking at the upside and
- 18 downside forecasts that follow 3362 --
- A. Mm-hmm.
- Q. -- whether those reflect the same product
- 21 profile or different product profiles?
- 22 MR. LORENZINI: Objection to form.
- 23 BY THE WITNESS:
- A. I believe they would have to have been

- 1 significantly different.
- 2 But the profile assumption -- the product
- 3 characteristics in the upside compared to the
- 4 downside or below -- would have to have very
- 5 significant differences and attributes to reflect
- 6 the very different sales potentials associated with
- 7 those things.
- 8 BY MR. DAVIS:
- 9 Q. Would you look at Exhibit B to this same
- 10 document, which is Exhibit 2. Do you see that
- 11 there's another --
- 12 A. Exhibit B? Where does that start?
- 13 Q. There is a page --
- 14 A. Yeah. All right.
- 15 Q. Yeah.
- 16 A. Which?
- 17 Q. The first page of Exhibit B.
- 18 A. Okay.
- 19 Q. You'll see that there's another form
- 20 similar to the one that we were just examining --
- 21 A. Yes.
- 22 Q. -- again, titled, "Total Base." But this
- 23 one is for ABT-594; do you see that?
- 24 A. Yes.

- 1 Q. Are you familiar with ABT-594 as being
- one of the program compounds at issue in this case?
- 3 A. Yes.
- 4 Q. And do you see the names of the contact
- 5 information people in the upper right-hand corner?
- 6 A. Yes.
- 7 Q. You know some of those people. For
- 8 example, Ms. Landsberg, you know her?
- 9 A. Yes.
- 10 Q. And she was the, "PPD Commercial
- 11 Contact." What does that mean?
- 12 A. She worked in the New Product Development
- 13 Group in PPD at the time; and she did the commercial
- 14 forecast for this particular product.
- 15 Q. Did she do both the domestic and ex-U.S.?
- A. No. Laura Robinson worked for me; and
- 17 she is listed there as the Al contact.
- 18 Q. Oh, I'm sorry. I thought that said, "All
- 19 Commercial." But it's the, "Al"?
- 20 A. No. It says, "Al." So she did the
- 21 ex-U.S. forecasts. Same paradigm as before.
- 22 Q. Right. And looking at this particular
- 23 document, do you believe that this forecast, when
- 24 prepared, is likely to be realistic or reasonable?

- 1 MR. LORENZINI: Objection to form. Calls for
- 2 speculation.
- 3 BY THE WITNESS:
- 4 A. Yes.
- 5 BY MR. DAVIS:
- 6 Q. And then, if you'd look -- by the way,
- 7 you see, in the lower right-hand corner -- and we
- 8 talked earlier about the, "Success Probabilities,"
- 9 box.
- 10 You said, typically, decision analysis --
- 11 the Decision Support Group didn't include that box
- in documents that it prepared.
- A. Not that box with the content in that
- 14 box.
- 15 Q. Okay. Are you familiar with the content
- in this box as you see it here?
- 17 A. Yes.
- 18 Q. Do those numbers accurately reflect
- 19 Abbott's history of, you know, success probabilities
- with respect to both Preclinical Phase 1, Phase 2,
- 21 and Phase 3?
- 22 MR. LORENZINI: Are you talking about just
- 23 the, "Abbott History," line?
- 24 BY THE WITNESS:

- 1 million?
- 2 MR. LORENZINI: Objection. Lacks foundation.
- 3 Calls for speculation.
- 4 BY THE WITNESS:
- 5 A. For this indication, for this compound,
- 6 it's somewhere between those two numbers.
- 7 BY MR. DAVIS:
- 8 Q. All right. If you'd look, sir, sort of a
- 9 little further onto Exhibit C in this document,
- 10 which is a similarly formatted document addressing
- 11 ABT-773.
- 12 A. Okay.
- 13 Q. And the page -- so we make sure we're on
- 14 the same page -- literally is 3443.
- 15 A. Okay.
- 16 Q. And the same questions, Mr. Hendricks.
- 17 First, do you see the, "Contact
- 18 Information," people in the upper right-hand corner?
- 19 A. Yes.
- 20 Q. All right. Now, Laura Robinson, you
- 21 already mentioned she worked for you, correct?
- 22 A. Yes.
- 23 Q. And who is the, "Domestic Contact"? Do
- 24 you recognize that person?

- 1 A. Yes.
- 2 Q. Who is that?
- 3 A. Rod Mitag.
- 4 Q. Did he work for you?
- 5 A. No. He worked with the potential
- 6 idiosyncrasy of that three-month period where they
- 7 reported -- he worked for somebody else.
- 8 Q. Was Mr. Mitag reasonably competent in
- 9 vour experience?
- 10 A. Yes.
- Q. And then there was an R&D contact. Do 11
- 12 you recognize that name?
- A. Oh, "Brown," that looks like. 13
- 14 Q. Do you know Mr. Brown?
- 15 A. No. I don't. I know a Bill Brown, who
- 16 is in charge of R&D in another division. This has
- 17 got to be another Bill Brown. I don't know who that
- 18 person is.
- 19 Q. Now, this document has to do, again, with
- 20 ADT-773. And this is, again, we're looking at a
- 21 base case scenario, correct?
- 22 A. Yes.
- 23 Q. All right. And you believe, looking at
- 24 this document, that -- based on the information that

- 1 you see -- that this document also was prepared in
- 2 the 2000/2001 time frame?
- 3 MR. LORENZINI: Objection. I just want to be
- 4 clear.
- 5 Are you asking based specifically on the
- 6 starting date of the costs?
- 7 BY MR. DAVIS:
- 8 Q. I'll take any of the information that you
- 9 can see on the document, sir.
- 10 You know, does it cause you to believe
- that this document was prepared in the 2000 to 2001
- 12 time frame?
- MR. LORENZINI: Objection to form. Calls for
- 14 speculation. Lacks foundation.
- 15 BY THE WITNESS:
- A. Well, as we've said before, if the
- 17 timeline of this cash flow -- this analysis --
- 18 suggests that it was prepared in that time frame,
- 19 point of fact, it could have been prepared at any
- 20 time frame as a retrospective analysis.
- 21 So when I say, "I assume," as a
- 22 prospective analysis, this would have been prepared
- 23 in the 2000/2001 time frame.

24

- 1 BY MR. DAVIS:
- 2 Q. All right. In looking at this document,
- do you believe that -- based on what you know about
- 4 the people who participated in the development of
- 5 this document, do you believe that these numbers --
- 6 that the domestic sales and international sales
- 7 numbers that you see here were realistic or
- 8 reasonable as of the time this document was
- 9 prepared?
- 10 MR. LORENZINI: Objection. Lacks foundation.
- 11 BY THE WITNESS:
- 12 A. Yes.
- 13 BY MR. DAVIS:
- 14 Q. And then looking at the lower left-hand
- 15 corner, again, you see there is an, "Expected
- 16 Value," and a, "Project Expected NPV." Do you see
- 17 those numbers?
- 18 A. Right.
- 19 Q. And is it fair to say that the net
- 20 present value -- expected net present value of this
- 21 particular compound -- for this particular
- 22 indication -- as of the time that this document was
- 23 prepared, was somewhere between, say, it looks like
- 24 226 and 290 million?

- 1 A. Yes.
- 2 Q. Do you know any more, Mr. Hendricks,
- 3 about the preparation of these particular
- 4 documents -- the ones that are attached as
- 5 Exhibits A, B, and C to Exhibit 2 -- other than what
- 6 you have told me here today?
- 7 A. No.
- 8 MR. DAVIS: Mark this as the next exhibit.
- 9 (WHEREUPON, a certain document was
- 10 marked Hendricks' Deposition
- 11 Exhibit No. 3, for identification,
- 12 as of 04-27-2007.)
- 13 BY MR. DAVIS:
- 14 Q. Mr. Hendricks, you have what has been
- 15 marked as Exhibit 3. Do you recognize this format
- 16 of document?
- 17 A. Yes.
- 18 Q. Have you seen this format before in your
- 19 work at Abbott?
- 20 A. Yes.
- 21 Q. What organization or person within Abbott
- 22 generated these types of documents as of February of
- 23 2001?
- 24 MR. LORENZINI: Are you talking about the

- 1 entire exhibit, Brian --
- MR. DAVIS: Yeah. I think it's all one 2
- 3 document.
- 4 MR. LORENZINI: -- or just the first page?
- 5 **BY THE WITNESS:**
- 6 A. However, that's a good point raised,
- 7 because I have to be very precise in my answer here.
- 8 BY MR. DAVIS:
- 9 Q. Please.
- 10 A. Because this document -- first of all,
- 11 let me establish that my group did not prepare this
- 12 document.
- 13 I have to -- I can speculate with some
- 14 precision who prepared the document and what it was
- 15 used for. And the document actually was a hybrid
- 16 document.
- 17 This first page is an overall
- 18 characterization of the project from, if you will --
- 19 a strategic point of view, key strategic
- 20 information. This total document, I believe, is
- 21 more or less a monthly highlight sheet about the
- monthly progress of the compound. 22
- 23 The part of this document that probably
- 24 changes every month is not the first page, frankly.

- As a matter of fact, you can't say with precision
- 2 that -- just because there is a, "February '01," on
- 3 this first page, I don't know for a fact that, for
- 4 instance, the sales forecasts were updated every
- 5 month.
- The point here is that the primary
- 7 function of this document was to update
- 8 month-by-month on the status of the project as it
- 9 progressed. However, at the time they wanted to
- make sure the scientists that were viewing the
- 11 details of the monthly progress didn't lose site of
- the overall strategic and commercial issues.
- 13 That's why this was a development
- 14 document. But it has commercial issue -- you know,
- 15 forecasts, present values, profile -- overall
- 16 profile assumptions. And this was put on the
- document every month and didn't really change unless
- 18 something caused it to change.
- 19 What changed every month in the document
- 20 was, probably, this stuff on the other pages that
- 21 talked about exactly what was going on with that
- 22 compound.
- Q. Now, is it fair to say that the sales
- 24 forecast for a particular compound under development

- 1 generally didn't change each month within Abbott?
- 2 MR. LORENZINI: Objection to form.
- 3 BY THE WITNESS:
- 4 A. That is fair to say.
- 5 BY MR. DAVIS:
- 6 Q. Abbott didn't each month go back and
- 7 revise its sales force?
- 8 A. Too much work, yes.
- 9 Q. So is it also fair to say that these
- documents, when they were produced by Abbott, that
- the first page reflected the most up-to-date
- 12 information that Abbott had regarding, for example,
- 13 base case forecast for commercial sales?
- 14 MR. LORENZINI: Objection to form.
- 15 BY THE WITNESS:
- A. I would hope it did. But I can't be
- 17 sure, because the person that put this together
- 18 would typically be someone in the development
- 19 organization.
- 20 And they would have asked from, really,
- 21 the commercial -- because this page, when you look
- 22 at the elements of it, are primarily commercial,
- 23 investment, market information, and some basic
- 24 product profile attributes. Although the product

- 1 profile attributes don't specify whether it's base,
- 2 upper, or lower, it's just -- but it's probably a
- 3 base case. Again, speculation.
- 4 But this information would be sent to the
- 5 development person. And they would kind of use it
- 6 as a cover sheet on these monthly reviews. And so I
- 7 would hope that they would always get the most
- 8 updated information. One can't be absolutely
- 9 positive that it always reflects the most updated
- 10 information.
- 11 BY MR. DAVIS:
- 12 Q. But it's your belief, more likely than
- not, that it would reflect the most up-to-date
- 14 information?
- MR. LORENZINI: Objection. Speculation.
- 16 BY THE WITNESS:
- 17 A. I would say that it would be the intent
- of the head of R&D or the head of development who
- use these to try to have the most updated
- 20 information represented.
- 21 BY MR. DAVIS:
- 22 Q. That would certainly be the expectation
- of the people within Abbott who are using this?
- A. That would be the expectation of using

- 1 this updated document --
- Q. Yes.
- A. -- this monthly updated document.
- 4 Q. A moment ago you mentioned the product
- 5 profile, and that you speculated that it was
- 6 probably a base case product profile.
- 7 A. No. It says, "Base Case Forecasts,"
- 8 here.
- 9 Q. So you would agree with me that the
- 10 product profile that we see here is a base case
- 11 product profile?
- 12 A. Actually, I didn't see. Although
- 13 it's white --
- 14 Q. Correct.
- 15 A. -- it's shaded, it does say, "Base Case
- 16 Assumptions."
- 17 Q. Okay.
- A. So it's reasonable to assume that this
- represented the base case forecast, base case
- 20 product profile assumptions, base case financials,
- 21 if you will, for this product.
- 22 Q. Did your group -- by which, I mean,
- 23 DSG -- contribute to any of the information
- 24 contained in this document?

- 1 A. Probably not.
- 2 Q. Where did the commercial information that
- was contained in this document come from, if you
- 4 know?
- A. It would have come from, in this time
- 6 frame, from the same sources -- the Al New Product
- 7 Planning Group and the PPD New Business Development
- 8 Group.
- 9 Q. So, for example, you see where it says,
- 10 "Commercial Profile," under, "Product Profile" --
- 11 A. Yes.
- 12 Q. -- there is a breakdown there for U.S.
- 13 versus ex-U.S.?
- 14 A. I'm sorry. "Profile"?
- 15 Q. Under, "Commercial Profile."
- A. Yes. So the, "Commercial Profile," yes.
- 17 That information -- the launch date, and then the
- 18 pricing, and the promo, and whatever -- that would
- 19 have also come from the respective New Product
- 20 Planning and New Business Development Group.
- 21 Q. And did the information, in the bar chart
- 22 to the left, that reflects the forecast of sales
- 23 both U.S. and ex-U.S.; is that right?
- 24 A. Assuming -- yes, assuming launch.

- 1 Q. All right. Now, did you utilize these
- 2 documents for any purpose at Abbott?
- A. By, "document," do you mean the entire
- 4 document, or this page that we're looking at?
- 5 Q. Any portion of it.
- 6 A. The reason I'm drawing a distinction, the
- 7 entire document -- the use -- did I personally use
- 8 it? I personally did not use this.
- 9 This document is primarily an R&D, a
- 10 development -- month-by-month summary -- of
- 11 activities. This was -- this document was primarily
- used by the development people and, perhaps,
- 13 communicated.
- 14 I don't know if it was communicated above
- 15 R&D. But it was an R&D communication document as to
- how the progress of key products were going each
- 17 month.
- 18 Q. Who or what specific entity within Abbott
- 19 produced these documents as best you recall?
- 20 MR. LORENZINI: Objection. Lacks foundation.
- 21 BY THE WITNESS:
- A. I just don't know who would have
- 23 assembled this document.

24

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- 1 BY MR. DAVIS:
- 2 Did you -- do you recall seeing them on,
- 3 approximately, a monthly basis back in the 2000/2001
- 4 time frame?
- 5 A. I was not a recipient of the monthly R&D
- 6 development updates. So, no.
- 7 The answer is, no. I did not see these
- 8 on a month-by-month basis.
- 9 Q. Let me -- to make it easier,
- 10 Mr. Hendricks, do you see, on the left-hand side, on
- 11 the first page, there is a reference to the, "U.S.
- 12 Market"?
- 13 A. Yes.
- 14 Q. And then there is an -- under, "Sales,"
- 15 there is a, "Value." Do you see that?
- 16 A. Yes.
- 17 Q. Is that -- what is the value represented
- 18 there?
- 19 A. That would be a dollar value of the total
- 20 market as defined.
- 21 Q. So those aren't necessarily sales of this
- 22 particular product. That's the entire market for
- 23 that type of product?
- 24 A. The top -- the top front part here is a

- 1 market characterization, both in terms of size and
- 2 key element need in the marketplace.
- Then only about halfway down where you
- 4 start seeing, "Costs" -- I can't read --
- 5 "Development" -- where you see the, "Development,"
- 6 square, from there down, is product-specific
- 7 information.
- 8 Q. And the product-specific information that
- 9 you see in the, "Development," square --
- 10 A. Yes.
- 11 Q. -- it says, "Cost to NDA."
- 12 A. Yes.
- 13 Q. Are those considered to be the
- development costs for the product?
- 15 A. Yes.
- 16 Q. And so, when we see -- for example, under
- 17 "2001," there is a, "YTD." That means expenditures
- 18 year-to-date; is that right?
- 19 A. Yes.
- Q. Then there's a, "P-R-O-J." Does that
- 21 mean the projected costs total for that year?
- A. I believe.
- Q. And does, "Budget," show what was --
- again, what had been budgeted for that year

- 1 officially within the Abbott system?
- A. Yes, budget at some point in time. It
- 3 could be.
- 4 I don't know whether it was the planned
- 5 number or revised budget numbers during the year.
- 6 But, yes, it's a reference to a budget.
- 7 Q. And then the, "V-A-R," is a variance for
- 8 the expenditures versus budget; is that right?
- 9 A. Yeah. I'm just -- since I didn't -- I'm
- trying to make sure that it's a variance projected.
- 11 So I'm going to assume that, yeah, the
- 12 year-to-date --
- MR. LORENZINI: Don't speculate.
- 14 BY THE WITNESS:
- A. Well, all right. It appears that this is
- a variance between the projected yearly spend and
- the budgeted yearly spend is what it appears to be.
- MR. DAVIS: Let me mark this as the next
- 19 exhibit.
- 20 (WHEREUPON, a certain document was
- 21 marked Hendricks' Deposition
- 22 Exhibit No. 4, for identification,
- 23 as of 04-27-2007.)

24

- 1 BY MR. DAVIS:
- 2 Q. Mr. Hendricks, you have what's been
- 3 marked as Exhibit 4 at your deposition.
- 4 Pretty much the same questions. I just
- want to confirm that, for example, this one is a 5
- 6 little bit easier to read.
- 7 We see this is a document dated from
- 8 February of '01 pertaining to ABT-594. Do you see
- 9 that?
- 10 A. Yes.
- 11 Q. And, again, we have -- under the box
- 12 labeled, "Development," you see that there are,
- 13 again, year-to-date projected and budget costs?
- 14 A. Yes.
- 15 Q. And the budget there is whatever budget
- 16 that Abbott had, at that point in time, shows a
- 17 total budgeted spend on ABT-594 in 2001 of 15
- 18 million.
- 19 Do I have that correct?
- 20 A. For this indication. These are
- 21 indication-specific sheets, also.
- 22 Q. Okay. Do you know whether there are any
- 23 other indications for ABT-594 that were under
- 24 development as of February of '01?

- A. I don't recall. 1
- 2 Q. Would it be indicated somewhere on this
- 3 page if there were other indications under,
- 4 "Development"?
- 5 MR. LORENZINI: Objection. Lacks foundation.
- 6 BY THE WITNESS:
- 7 A. I think they would have a separate page
- 8 for that indication.
- 9 BY MR. DAVIS:
- 10 Q. Mm-hmm. A separate page in this
- document? 11
- 12 A. Honestly, I can't tell you what their
- 13 procedure was for handling multiple indications with
- 14 this particular document.
- 15 Q. And then we have, "Base Case Forecast,"
- 16 under, "Commercial."
- 17 Again, those numbers would have come from
- the same U.S. and ex-U.S. groups responsible for 18
- 19 putting together the sales of revenue forecasts?
- 20 A. That's correct.
- 21 Q. And do you believe that the information
- 22 contained in this document would have been realistic
- 23 or reasonable as of the time the document was
- 24 prepared?

- 1 A. That would have been the intent of
- 2 management.
- Q. And that same is true with respect to
- 4 Exhibit 3 -- the, "Base Case Forecast," that we see
- 5 on page 1 of Exhibit 3?
- A. That we just looked at, yes. They're the
- 7 same, yes.
- 8 MR. DAVIS: Okay. Let me mark this as the
- 9 next exhibit.
- 10 (WHEREUPON, a certain document was
- 11 marked Hendricks' Deposition
- 12 Exhibit No. 5, for identification,
- 13 as of 04-27-2007.)
- 14 BY MR. DAVIS:
- 15 Q. Mr. Hendricks, you have what's been
- marked as Exhibit 5. It's a similar document.
- 17 It's similar to Exhibits 3 and 4 except
- that this one pertains to, "ABT-773 Tab."
- 19 Do you see that?
- 20 A. Yes.
- Q. And you can see, in the, "Commercial,"
- 22 information we have a base case forecast for sales
- 23 for this product, for this indication, as forecast
- 24 by Abbott both U.S. and ex-U.S.; is that right?

- 1 A. Yes.
- 2 Q. And is it your understanding that this
- 3 information, these forecasts, were realistic or
- 4 reasonable as of the time this document was
- 5 prepared?
- 6 A. That was the intent.
- 7 Q. And, again -- also, under, "Development,
- 8 to NDA, excludes Japan," we see projected and
- 9 budgeted numbers for these products -- for this
- 10 product.
- 11 That would be the budget number as it
- 12 existed, within the Abbott system, as of February of
- 13 '01?
- MR. LORENZINI: Objection to form.
- 15 BY THE WITNESS:
- A. I can't speak, frankly, to the precision.
- 17 The budget numbers all change a lot. But I would
- think that it would be the intent to have it be
- 19 approximately reasonable.
- 20 BY MR. DAVIS:
- Q. But, again, the base case forecast that
- you see here, it's based upon the base case
- 23 assumptions regarding product profile that we see to
- the right there; is that right?

- 1 A. Yes.
- 2 MR. DAVIS: Let's mark this, please, as the
- 3 next exhibit.
- 4 (WHEREUPON, a certain document was
- 5 marked Hendricks' Deposition
- 6 Exhibit No. 6, for identification,
- 7 as of 04-27-2007.)
- 8 BY MR. DAVIS:
- 9 Q. Mr. Hendricks, you have what's been
- 10 marked as Exhibit 6.
- Let me ask you, first, to take a look at
- this document and tell me have you seen this
- 13 document before?
- 14 A. No.
- 15 Q. Okay. This is a document produced to us
- 16 by Abbott in this matter.
- 17 What I want to do is direct your
- 18 attention, first, to the page that's Bates numbered
- 19 through -- it ends in 6757. It looks like the
- 20 landscaped-oriented spreadsheet.
- 21 A. Yes.
- 22 Q. You'll see it's titled, "Abbott
- 23 Laboratories, PPD R&D Alternative Financing
- 24 Analysis, John Hancock Funding Scenarios, Nominal

- 1 and Expected Sales Forecast, Base Case."
- A. Okay.
- 3 Q. All right. Earlier in your deposition
- 4 you talked about nominal versus expected numbers.
- What is the difference between those two?
- 6 MR. LORENZINI: Objection to form.
- 7 BY THE WITNESS:
- 8 A. Nominal is a forecast that assumes the
- 9 product's launch. Expected adjusts the forecast of
- 10 the probability of launch.
- 11 BY MR. DAVIS:
- 12 Q. So is it fair to say that nominal numbers
- would be sort of the best case scenario; and
- 14 expected numbers would be those factoring in some
- 15 expectation of failure at some level?
- MR. LORENZINI: Objection. Misleading.
- 17 BY THE WITNESS:
- A. With respect to this page, the nominal
- 19 forecast would assume every one of the projects
- 20 listed here all launched with the product attributes
- 21 described as their base case profile attributes and
- 22 achieved the sales associated with that profile's
- 23 assumptions. So that represents a very good outcome
- 24 with respect to all compounds launching.

- 1 The expected sales forecast is an
- 2 adjusted forecast that reflects some uncertainty.
- 3 It's not the worst that it could be. The nominal
- 4 forecast represents the upper limit with respect to
- 5 base case profiles.
- 6 BY MR. DAVIS:
- 7 Q. Okay. And the expected reflects some
- 8 realization that things don't always go as you would
- 9 hope or as planned, and that there is likely to be
- 10 some reduction or attrition due to some of the
- 11 products failing or some other causes; is that
- 12 right?
- MR. LORENZINI: Objection to the form of the
- 14 question.
- 15 BY THE WITNESS:
- A. With respect -- in general, that is a
- 17 definition of expected. With respect to this
- 18 forecast, and this document, the expected sales is
- 19 just one line item here.
- 20 And so the way it was likely developed
- 21 would be to look at each particular project's
- 22 nominal forecast; and it would then reflect a
- 23 discount based on the internal judgment of Abbott as
- 24 to the likelihood of that compound launching.

- 1 BY MR. DAVIS:
- 2 Q. Would you turn further in the document to
- 3 the page that ends in 6762?
- 4 A. Okay.
- 5 Q. Do you see that there is a page there
- 6 that has the same heading, "Abbott Laboratories"?
- 7 A. Mm-hmm.
- 8 Q. It has to do with John Hancock Funding
- 9 Scenarios. And this one is entitled, "Nominal and
- 10 Expected Investment Costs." Do you see that?
- 11 A. Yes.
- 12 Q. And do you see that there is a line under
- 13 each -- that there is a line about midway through
- 14 the chart that's titled, "Total Nominal Investment"?
- 15 Do you see that?
- 16 A. Yes.
- 17 Q. And then below that there is a line that
- 18 says, "Expected Ratio Analysis, Total Expected
- 19 Investment." Do you see that?
- A. Yes. 20
- 21 Q. And is it fair to say that the same
- 22 difference applies with respect to these numbers --
- 23 that one reflects sort of the 100 percent success
- 24 number, and the other reflects the 100 percent

- 1 success number that has been reduced by some element
- 2 for -- that takes account of the risk or likely, or
- 3 potential, failure of some of the products?
- 4 MR. LORENZINI: Objection to form. Confusing.
- 5 BY THE WITNESS:
- 6 A. The nominal investment line reflects, if
- 7 every project succeeds and ultimately is launched,
- 8 what one would have planned to spend.
- 9 The line, "Total Expected Investment,"
- 10 takes a look at that portfolio of compounds and
- applies a likelihood of an adjustment factor for the
- 12 understanding that not all compounds will spend all
- 13 of the money.
- 14 In fact, any particular compound might
- stop in the next phase, or the next phase, or the
- 16 next phase. So this is one approximation of,
- frankly, a wide variety of potential spends that
- 18 could be associated with this portfolio of
- 19 compounds.
- 20 BY MR. DAVIS:
- Q. When it's labeled, "The Expected -- The
- 22 Total Expected Investment," that means that, again,
- 23 it's an analysis performed by Abbott with respect to
- 24 an outcome that is more likely than others based

- 1 upon anticipated success ratios?
- 2 MR. LORENZINI: Objection.
- 3 BY THE WITNESS:
- 4 A. No. That's not what it means. And
- 5 this --
- 6 BY MR. DAVIS:
- 7 Q. What does it mean then?
- 8 A. Attempt -- precisely, from a decision
- 9 analysis point of view, it's not dissimilar to what
- 10 we talked about before.
- 11 There is a probability a very much of a
- 12 range of outcomes of expenditures.
- Q. Mm-hmm. 13
- 14 A. Okay. And with the upper limit being the
- 15 nominal, the lower limit is something far underneath
- 16 the term, "expected."
- 17 Q. Mm-hmm.
- A. The expected -- the expected investment 18
- 19 is an approximation based on a risk adjustment of
- 20 expenses that, from a decision analysis point of
- 21 view, approximates to something that happens around
- 22 the 50th percentile with equal likelihood that the
- 23 final investment would be higher or lower than that
- 24 amount.

- 1 MR. DAVIS: Okay. Thank you. Could we mark
- 2 this as the next exhibit, please?
- 3 (WHEREUPON, a certain document was
- 4 marked Hendricks' Deposition
- 5 Exhibit No. 7, for identification,
- 6 as of 04-27-2007.)
- 7 MR. DAVIS: This is Exhibit 7?
- 8 THE REPORTER: Yes.
- 9 BY MR. DAVIS:
- 10 Q. Mr. Hendricks, you have what's been
- marked as Exhibit 7 at your deposition.
- Have you seen this document before, sir?
- A. I reviewed it only recently as part of
- 14 the deposition documents.
- 15 Q. Did you ever see it back in the 2001 time
- 16 frame?
- 17 A. Never.
- 18 Q. I would like to direct your attention to
- 19 a specific part of the document.
- 20 If you look at the page that's
- 21 numbered -- its Bates ends in 8117. Do you see
- 22 that?
- 23 A. Yes. Okay.
- Q. Do you see here there is an, "Annual

- 1 Development Plan," for, "Ketolide Oral & IV
- 2 ABT-773"?
- 3 A. Yes.
- 4 Q. And do you see, at the bottom of this
- 5 page, there is a, "Projected Spending By Year"?
- 6 A. Yes.
- 7 Q. All right. Is that -- and you see there
- 8 are different numbers for different years from 2000
- 9 through 2005?
- 10 A. Yes.
- 11 Q. All right. Looking at the numbers that
- 12 you see here for each of these years, are these
- 13 nominal or expected numbers?
- 14 MR. LORENZINI: Objection. Lacks foundation.
- 15 **BY THE WITNESS:**
- 16 A. These look to be nominal.
- 17 BY MR. DAVIS:
- Q. Now, if you take a look further into the 18
- 19 document at the page that's numbered 8121, there is
- 20 an, "Annual Development Plan," for, "CCM," also
- 21 known as ADT-594; do you see that?
- A. Yes. 22
- 23 Q. And, again, near the bottom of this page,
- 24 there is a reference to, "Projected Spending By

- 1 Year."
- 2 And you see there are numbers listed
- 3 there for each year from 2000 through 2005?
- 4 A. Yes.
- Q. Are these nominal or expected numbers? 5
- 6 MR. LORENZINI: Objection. Lacks foundation.
- 7 BY THE WITNESS:
- 8 A. I judge them to be nominal.
- 9 BY MR. DAVIS:
- 10 Q. Would you look at the page that ends in
- 8127? Do you have that page in front of you? 11
- 12 A. Yes.
- 13 Q. You see there is another, "Annual
- 14 Development Plan." This one is for, "MMPI," also
- 15 known as ABT-518. Do you see that?
- 16 A. Yes.
- 17 Q. Again, the same question, sir. Looking
- 18 under, "Projected Spending By Year," we see numbers
- 19 there, again, from 2000 through 2005.
- 20 Are the spending numbers listed here
- 21 nominal or expected spending numbers?
- MR. LORENZINI: Objection to form. 22
- 23 **BY THE WITNESS:**
- 24 A. I would judge them to be nominal.

- 1 Outside of the scope of the deposition topic.
- 2 Only testify to the extent you have
- 3 personal knowledge, please.
- 4 BY THE WITNESS:
- 5 A. Yeah. I don't have personal knowledge of
- 6 what they did back then.
- 7 BY MR. DAVIS:
- 8 Q. Okay. Is there anyplace else that you
- 9 would look -- or do you think that you could find
- 10 the actual spending information -- other than the
- 11 R&D controller's office?
- 12 A. For that time frame, no. I wouldn't know
- 13 that there would be any.
- 14 MR. DAVIS: All right. Let's mark this,
- 15 please, as the next exhibit. 9, is it?
- 16 THE REPORTER: 9.
- 17 (WHEREUPON, a certain document was
- 18 marked Hendricks' Deposition
- 19 Exhibit No. 9, for identification,
- 20 as of 04-27-2007.)
- 21 BY MR. DAVIS:
- 22 Q. Mr. Hendricks, you have what's been
- 23 marked as Exhibit 9, which is a copy of a letter and
- 24 a preliminary -- a 2002 preliminary annual research

- 1 plan that Abbott sent to John Hancock back in
- 2 November of 2001.
- 3 Have you seen this document before?
- 4 A. No.
- 5 Q. Let me just direct your attention to the
- 6 third page of the document, the one that's Bates
- 7 numbered -- the Bates numbers in this one, I think,
- 8 are generally in the lower left-hand corner. It
- 9 ends at 0789.
- 10 A. Yes.
- 11 Q. And you see that there's another annual
- 12 development plan for ABT-773 for both oral and IV
- formulations? 13
- 14 A. Yes.
- 15 Q. And the bottom there says that there's a
- 16 program spending by year; do you see that?
- 17 A. Yes.
- Q. And for the year 2002, do you see -- is 18
- 19 that a nominal or expected spending number?
- 20 MR. LORENZINI: Objection. Lacks foundation.
- 21 Calls for speculation.
- 22 MR. DAVIS: He is the Abbott designee on
- 23 expected or intended spending. So he's supposed to
- 24 know.

- 1 **BY THE WITNESS:**
- 2 A. These types of summaries would generally
- 3 report the nominal spent assuming success.
- 4 BY MR. DAVIS:
- 5 Q. All right. And then the same would be
- 6 true if you take a look at the other annual
- 7 development plans in here.
- 8 In the, "Program Spending By Year," the
- 9 same would be true? Those would be nominal numbers
- 10 here, right?
- MR. LORENZINI: Objection. 11
- 12 BY THE WITNESS:
- A. These types of plans would show nominals 13
- 14 assuming success.
- 15 BY MR. DAVIS:
- 16 Q. Do you recognize this form of document?
- 17 MR. LORENZINI: Are you talking about a
- 18 particular page?
- 19 MR. DAVIS: Well, they are different copies of
- 20 annual development plans.
- 21 BY MR. DAVIS:
- 22 Q. I'm just asking have you seen this format
- 23 before?

24

- 1 A. No, I haven't.
- 2 Q. But when you see, "Program Spending By
- 3 Year," like that, it's typically nominal?
- A. Yes. 4
- 5 MR. DAVIS: Let's mark this, please, as the
- 6 next exhibit, 10.
- 7 (WHEREUPON, a certain document was
- 8 marked Hendricks' Deposition
- 9 Exhibit No. 10, for identification,
- 10 as of 04-27-2007.)
- BY MR. DAVIS: 11
- 12 Q. Mr. Hendricks, you have Exhibit 10 in
- 13 front of you.
- 14 This is a copy of a program -- Portfolio
- 15 Program and Development cost summaries for the Final
- 16 2003 Plan. And also there's some projections for
- 17 each of the program compounds included for future
- 18 years. And it's pretty much the same question.
- 19 Do you see that the numbers -- for
- 20 example, directing your attention to -- let me look
- 21 at it. The beginning one, the page that ends in --
- 22 the Bates number ends in 1073, the, "2003 Executive
- 23 Program Summary." Do you see that?
- 24 A. Yes.

- 1 Q. And that, "LRP," what do you understand
- 2 that to be?
- 3 A. Long range plan.
- 4 Q. And the numbers that we see reflected
- 5 here, these are nominal numbers?
- 6 MR. LORENZINI: Objection to form.
- 7 BY THE WITNESS:
- 8 A. Yes.
- 9 BY MR. DAVIS:
- Q. And that same is true for the other
- annual -- or the executive program summaries that we
- 12 see in this document?
- 13 A. That's my belief.
- MR. DAVIS: Okay. Let's mark this, please, as
- 15 the next exhibit.
- 16 (WHEREUPON, a certain document was
- 17 marked Hendricks' Deposition
- 18 Exhibit No. 11, for identification,
- 19 as of 04-27-2007.)
- 20 BY MR. DAVIS:
- 21 Q. Mr. Hendricks, you have Exhibit 11. And
- 22 this is a copy of an annual research plan that
- 23 Abbott submitted to John Hancock in November of
- 24 **2003**.

- 1 I'm now directing your attention to the
- 2 document -- let me find it. Right here,
- 3 (indicating).
- 4 Looking at the second page of this
- 5 document on, "Global Pharmaceutical Research &
- Development, Hancock Collaboration, Spending By 6
- 7 Program," do you see that --
- 8 A. Yes.
- 9 Q. -- the plan numbers for 2004 that you see
- 10 listed here?
- 11 A. Yes.
- 12 Q. -- are those nominal or expected numbers?
- MR. LORENZINI: Objection. 13
- 14 **BY THE WITNESS:**
- 15 A. Generally, you would think that, "Plan,"
- 16 numbers refer to nominal.
- 17 BY MR. DAVIS:
- 18 Q. That's your belief?
- A. That's my belief. 19
- 20 Q. And how about the projection for 2005
- 21 that you see here? Do you know whether that's
- projected in nominal or expected numbers? 22
- 23 A. I can't say.
- 24 Q. But it's your understanding that,

- 1 "Plan" -- when it refers to, "Plan," numbers,
- 2 they're generally nominal numbers; is that right?
- 3 MR. LORENZINI: Objection.
- 4 BY THE WITNESS:
- 5 A. Generally, "Plan," numbers are nominals.
- 6 MR. LORENZINI: Let's mark this, please, as
- 7 the next exhibit.
- 8 THE REPORTER: We're on 12.
- 9 (WHEREUPON, a certain document was
- 10 marked Hendricks' Deposition
- Exhibit No. 12, for identification, 11
- 12 as of 04-27-2007.)
- BY MR. DAVIS: 13
- 14 Q. Mr. Hendricks, you have a copy of a
- 15 letter and plan that was provided to John Hancock by
- 16 Abbott in November 2004.
- 17 Directing your attention to the third
- page of the document -- the Bates number that ends 18
- 19 in 7248 -- do you have that in front of you?
- 20 A. Yes, I do.
- 21 Q. And do you see that, again, there's a,
- 22 "Global Pharmaceutical Research & Development,
- 23 Hancock Development Collaboration Portfolio,
- 24 Spending By Program"? Do you see that?

- 1 A. Yes.
- 2 Q. And then under -- there's a column there
- 3 labeled, "Plan 2005." Do you see that?
- 4 A. Yes.
- 5 Q. Are these nominal numbers?
- 6 MR. LORENZINI: Objection to form.
- 7 BY THE WITNESS:
- 8 A. I believe these are nominal numbers.
- 9 MR. DAVIS: Okay. Let's mark this, please, as
- 10 the next exhibit.
- (WHEREUPON, a certain document was 11
- 12 marked Hendricks' Deposition
- 13 Exhibit No. 13, for identification,
- 14 as of 04-27-2007.)
- 15 BY MR. DAVIS:
- 16 Q. Mr. Hendricks, same drill. This is a
- 17 copy of a letter and annual research plan that
- 18 Abbott provided to John Hancock in January of 2006.
- 19 Directing your attention to the second
- 20 page of the document -- which is the Bates number
- 21 that ends in 6106 -- do you see at the right-hand
- side there is a column titled, "Plan 2006"? 22
- A. Yes. 23
- 24 Q. And the numbers contained there, are

- 1 those nominal or expected numbers?
- 2 MR. LORENZINI: Objection to the form.
- 3 BY THE WITNESS:
- 4 A. I believe those are nominal.
- 5 MR. DAVIS: Okay. Let's mark this, please, as
- 6 the next exhibit. 14?
- 7 THE REPORTER: I'm sorry, 14.
- 8 (WHEREUPON, a certain document was
- 9 marked Hendricks' Deposition
- 10 Exhibit No. 14, for identification,
- 11 as of 04-27-2007.)
- 12 BY MR. DAVIS:
- 13 Q. Mr. Hendricks, you have what's been
- 14 marked as Exhibit 14. Let me ask you if you've seen
- 15 this document before?
- 16 A. I don't recall seeing this document.
- 17 Q. The two people listed, on the front page
- 18 of this document -- Lori Taylor I can pronounce
- 19 easily. And I know you pronounced --
- 20 A. Anil Namboodiripad.
- 21 Q. "Namboodiripad"?
- A. Namboodiripad. 22
- 23 Q. All right. Those people worked for you
- 24 in your group as of January 2001?

- A. Anil did for sure. 1
- 2 Q. And Lori worked for you in that
- 3 three-month period at some point in time?
- 4 A. Yes.
- 5 Q. Did the Decision Support Group provide --
- 6 strike that.
- 7 Was this document prepared by the
- 8 **Decision Support Group?**
- 9 A. No. It does not appear to. It appears
- 10 to have been, by the cover page, prepared by two
- 11 people that would have been in the New Product
- 12 Planning Groups.
- 13 Q. Okay. Would you take a look at the pages
- 14 of this document that begin -- actually, they're
- 15 Bates numbered and end in 2961 was the first one for
- 16 you to look at.
- 17 It's titled, "Forecasted U.S. Sales." Do
- 18 you see that document?
- 19 A. Yes.
- 20 Q. Okay. Who within Abbott put together
- 21 these forecasts?
- 22 MR. LORENZINI: Objection. Lacks foundation.
- **BY THE WITNESS:** 23
- A. I believe it to be the authors of this 24

- 1 document.
- 2 BY MR. DAVIS:
- 3 Q. And would you look at the subsequent
- 4 pages, as well, through the page at the end of the
- 5 document -- the page that ends in 2969?
- 6 A. Yes.
- 7 Q. Do you believe that they prepared those
- forecasts as well? 8
- 9 A. I --
- 10 MR. LORENZINI: Objection.
- 11 **BY THE WITNESS:**
- A. Oh, sorry. I do believe so. 12
- 13 BY MR. DAVIS:
- 14 Q. And do you believe that the forecasts
- 15 that are contained here were realistic and
- 16 reasonable as of the time that they were prepared?
- 17 MR. LORENZINI: Objection.
- **BY THE WITNESS:** 18
- 19 A. Yes.
- 20 MR. DAVIS: Let's mark this as the next
- 21 exhibit, please.
- 22
- 23
- 24

- 1 MR. DAVIS: Okay. Let's mark this as the next
- 2 exhibit, please.
- 3 (WHEREUPON, a certain document was
- 4 marked Hendricks' Deposition
- 5 Exhibit No. 20, for identification,
- 6 as of 04-27-2007.)
- 7 BY MR. DAVIS:
- 8 Q. Mr. Hendricks, you have what's been
- 9 marked as Exhibit 20 at your deposition.
- 10 Would you look at this document for a
- moment, please, and tell me if you can identify it
- 12 for me?
- 13 A. I can.
- 14 Q. You can?
- 15 A. Yes.
- 16 Q. What is this?
- 17 A. Well, this is a document, an analysis,
- that was prepared primarily by the Decision Support
- 19 Group, my group, to assist management in thinking
- 20 through the situation that we just described, as the
- 21 company found itself in, in the first quarter of
- 22 2001 -- having more R&D spending capacity than
- 23 originally planned, but a lot of assets that -- from
- 24 the new company as well as the old -- would exceed

- 1 even with the additional spending capacity.
- 2 So this was an analysis, then, using the
- 3 information as best we had on all of the assets --
- 4 sales, cost probabilities -- to take a look at the
- 5 relative values of all of these assets, and then
- 6 prioritize these assets to fit to a new budget
- 7 target using different metrics -- different
- 8 approaches -- take a look at what assets, then,
- 9 would be able to go forward and what assets might
- 10 have to be terminated or slowed down.
- 11 Q. Would you take a look, please, at the
- page that's Bates numbered 8 -- it ends in 8851.
- 13 A. Okay.
- 14 Q. There is a slide here titled, "2001/2002
- 15 R&D Costs for John Hancock Compounds." Do you see
- 16 that?
- 17 A. Mm-hmm.
- 18 Q. Who put together this slide?
- A. I would imagine -- see, the portfolio
- 20 analysis -- Steve Cohen's group was still running
- 21 the portfolio process at this point in time. So a
- 22 lot of the analytics in here -- where you see fancy
- 23 graphs, and bubble charts, and things like -- that
- 24 was the Decision Support Group stuff.

- 1 We were the heavy duty analytics. The
- 2 overall package, if you will, was put together by
- 3 Steve Cohen's group, the Portfolio Analysis Group.
- 4 And I would expect that this page was probably put
- 5 together by him.
- MR. DAVIS: Okay. First, Eric, I'm going to 6
- 7 ask that we get a color copy of this document,
- 8 please. It looks like some of the text is
- 9 color-coded.
- 10 MR. LORENZINI: I will look into whether we
- 11 have a color copy.
- 12 BY MR. DAVIS:
- 13 Q. Now, the 2001 costs that are listed here,
- 14 Mr. Hendricks, those are nominal costs?
- 15 A. That would be my judgment.
- Q. And then you see 2002 costs are broken 16
- 17 out into nominal and expected. Do you see that?
- A. Yes. 18
- 19 Q. Did you ever see any analyses by Abbott,
- 20 after this particular document was generated, in
- 21 which Abbott broke down its expected -- its plan
- 22 spending on John Hancock program compounds between
- 23 nominal and expected spending?
- 24 A. I honestly don't recall.

- 1 Q. Was the Decision Support Group ever asked
- 2 to put together an analysis of expected spending on
- 3 John Hancock program compounds as opposed to nominal
- 4 spending on John Hancock program compounds?
- 5 A. When I mentioned earlier that I was
- 6 involved -- I believe, it was in 2005 or sometime
- 7 later on -- in preparing some cost estimates, that's
- 8 probably what some of that was for at that time.
- 9 Q. Did you put together both expected and
- 10 nominal numbers at that time?
- 11 A. I'm not sure. It was at the request of
- 12 whomever was pulling together this information for
- communication with Hancock. 13
- 14 Q. And the numbers that we see listed here
- 15 under, "2001 Costs" --
- 16 A. Yes.
- 17 Q. -- are those four-year numbers? And I'm
- 18 looking at, again, the page in Exhibit 20.
- 19 A. 851?
- 20 Q. Correct.
- 21 MR. LORENZINI: Objection. Lacks foundation.
- **BY THE WITNESS:** 22
- 23 A. It's my judgment that these would
- 24 represent full year costs.

- 1 BY MR. DAVIS:
- 2 Q. Okay. Now, is the data contained in this
- 3 portfolio analysis document, Exhibit 20, reasonably
- 4 true and accurate as of April 20th, 2001?
- 5 MR. LORENZINI: Objection.
- 6 BY MR. DAVIS:
- 7 Q. To the best of your knowledge?
- 8 MR. LORENZINI: The entirety of data?
- 9 MR. DAVIS: Yes.
- 10 BY MR. DAVIS:
- 11 Q. To the best of your knowledge and belief?
- 12 MR. LORENZINI: Objection.
- 13 BY THE WITNESS:
- A. I believe all of the data -- it was our
- intent to provide management with a package that
- represented the best information that we had at the
- 17 time.
- 18 Quite frankly, the reality of this, when
- 19 you have a portfolio with as many compounds as we
- did, information comes in at all times. And so,
- 21 when we go to press with a book, it may be undated
- on some compounds by the time it's printed.
- 23 BY MR. DAVIS:
- Q. Mm-hmm. Now, the information that's

- 1 contained on this particular slide -- the one that's
- 2 numbered 8851 --
- 3 A. Yes.
- 4 Q. -- in the slide that is dated April 20th,
- 5 2001, does this reflect the R&D costs for
- 6 John Hancock compounds in the immediate aftermath of
- 7 the March 7th through 9th, 2001 portfolio review?
- 8 MR. LORENZINI: Objection. A reasonable
- 9 inference would be that would be correct.
- 10 And, in fact, you see that the 594 number
- 11 is different than what it was in the plan.
- 12 BY MR. DAVIS:
- 13 Q. Mm-hmm.
- 14 A. And this may, in fact, reflect additional
- 15 spending and the desire to keep spending as much as
- 16 possible on that compound.
- 17 Q. Okay. And as you sit here today, do you
- 18 know the source of the data for these particular
- 19 compounds that are listed on the page numbered 8851?
- 20 A. Well, the source of the cost projections,
- 21 the nominal projections, would have been from the
- 22 development teams.
- 23 MR. LORENZINI: Mm-hmm.
- 24 BY THE WITNESS:

- 1 A. Someone -- where you see, "nominal and
- 2 expected -- expected," in this case, does not
- 3 represent what we expect to spend.
- 4 BY MR. DAVIS:
- 5 Q. It represents the nominal numbers having
- 6 been discounted in some way by a success ratio or
- 7 some other discounting factor, correct?
- 8 A. Well -- yes. If you notice that, in some
- 9 projects, the nominal and expected are very much the
- 10 same.
- 11 Q. Mm-hmm.
- 12 A. The only time they would be different is
- if, within a calendar year, a particular compound
- had a milestone and the post-milestone expense would
- 15 be risk adjusted.
- But, in fact, you'll either spend the
- 17 post milestone expense or you won't. So the
- 18 expected cost will never actually occur; but it's
- 19 calculated. And then, when you roll it up from a
- 20 portfolio level, it gives you an approximation, from
- a portfolio perspective, on average of what the
- 22 portfolio might need.
- Q. It's fair to say that the expected number
- 24 gives you information about the nominal spend --

- what would be required to be spent in the event that
- the project were to go forward.
- 3 But it also gives you some information
- 4 about the likelihood or the anticipated likelihood
- 5 that the nominal amount will have to be spent; is
- 6 that fair to say?
- 7 MR. LORENZINI: Objection to form.
- 8 BY THE WITNESS:
- 9 A. If you had backup -- in a general sense,
- what you said is correct.
- 11 You can't infer exactly what the
- 12 probabilities are in these numbers unless you had
- 13 backup data to know exactly how much was the
- post-milestone expense, and the pre-milestone
- expense, and the expected number. And then you
- 16 could see what the assumed likelihood of success
- 17 was.
- 18 BY MR. DAVIS:
- 19 Q. Okay. Now, just take a look at this
- 20 slide for a second.
- 21 Would you dig out your copy of Exhibit 7,
- which is the Research Funding Agreement.
- Now, if you turn for a moment to the page
- 24 that's numbered in the -- looking at the Research

Page 125 of 135

- 1 are supposed to be Abbott's expected spending
- 2 numbers, then the number that we see under -- for
- 3 2002, on page 8121, is almost \$20 million too high;
- 4 is that right?
- 5 MR. LORENZINI: Objection. Mischaracterizes
- 6 facts in evidence.
- 7 MR. DAVIS: I don't think so. I think that
- 8 the document requires Abbott to provide John Hancock
- 9 with its anticipated and reasonably expected
- 10 spending numbers, not nominal numbers.
- 11 MR. LORENZINI: Are you asking the witness for
- 12 his legal opinion --
- 13 MR. DAVIS: Well, I'm just asking --
- 14 MR. LORENZINI: -- or the meaning of the
- 15 contract?
- 16 MR. DAVIS: No. No. I'm asking him to
- 17 assume.
- 18 BY MR. DAVIS:
- 19 Q. If the contract required Abbott to
- 20 provide John Hancock with its expected spending
- 21 numbers, you would agree with me that the number for
- 22 2002 -- listed on page 8121 -- is, based on what we
- see on the page 8851 of Exhibit 20, slightly less
- than \$20 million too high?

- 1 MR. LORENZINI: Objection. Misleading.
- 2 Vague. Ambiguous. Confusing, particularly with
- 3 respect to the meaning of the word, "expected."
- 4 And, also, I object that this question
- 5 potentially calls for a legal conclusion.
- 6 BY MR. DAVIS:
- 7 Q. Can you answer after that?
- 8 A. Well, on a project-by-project basis, I
- 9 don't believe that the risk adjusted -- the term,
- 10 "expected," meaning risk adjusted, which is the
- 11 definition you're using here -- is really
- 12 meaningful.
- When I look at when I look at this, for
- the reasons that I just mentioned before, you will
- never spend, on this project, the expected amount.
- 16 Q. What we see listed here, under the
- 17 column, "Expected" --
- 18 A. Yes.
- 19 Q. -- are the expected numbers for those
- compounds in the years 2002, correct?
- 21 MR. LORENZINI: Objection.
- MR. DAVIS: That's what it says.
- 23 MR. LORENZINI: Vague. Ambiguous.
- 24 BY THE WITNESS:

- 1 A. As I mentioned before, it's easy to
- 2 confuse a decision analysis term, "expected" --
- 3 that's a decision analysis phrase -- with the term,
- 4 "expected," meaning what we expect to spend if we're
- 5 successful.
- 6 All right. So the term -- if you asked
- 7 me -- if I'm sitting in 2001, and you asked me,
- 8 "What are we going to spend on 594 in 2002," I can
- 9 tell you, "Well, if everything goes well, we expect
- to spend 58. If we don't get past the milestone, we
- may end up spending" -- I mean, I can't really tell
- 12 you what it is here. But it might only be 15 or 10.
- Now -- and so that's what we would expect
- to spend if the compound dies at the milestone.
- 15 BY MR. DAVIS:
- 16 Q. Mm-hmm.
- 17 A. So if I'm trying to report to you what
- will be spent next year, on a compound-by-compound
- basis, the risk adjusted or the decision analysis
- 20 expected expense is not a good definition to use,
- 21 because that expense is for sure to be wrong on that
- 22 project.
- Q. Well, it's still the expected expense,
- 24 correct?

- 1 MR. LORENZINI: Objection. Vague. Ambiguous.
- 2 BY THE WITNESS:
- A. Yes. If you mean risk adjusted expense,
- 4 it appears that the spending amount in 2002 for this
- 5 compound is 26 million, 26.3. That is the expected,
- 6 i.e., risk adjusted expense.
- 7 BY MR. DAVIS:
- 8 Q. Right. That's what, "expected," means,
- 9 risk adjusted?
- 10 A. No. You say that's what it means as if
- 11 that's common -- that's a common parlance. As a
- matter of fact, I would submit that the term,
- 13 "expected," in terms of risk adjusted, is a far less
- 14 frequent understanding of the term.
- And when we plan for budgeting purposes,
- on a project-by-project, we commonly report the
- 17 expectations of spending assuming success. Now, if
- 18 you want a risk adjusted expense number for every
- 19 project, that's fine. I think that has less meaning
- on a project-by-project level.
- 21 Q. But, see -- let me ask you, sir. I'm
- 22 sorry. Are you done?
- 23 A. Yes.
- Q. As listed here on Exhibit 20, page 8851,

- 1 analysis or support with respect to calculations
- 2 concerning the John Hancock compound portfolio; is
- 3 that right?
- 4 A. No. That is correct.
- 5 Q. And, again, just take me back a moment.
- 6 What support or analysis did you provide
- 7 in 2005 on that topic?
- 8 A. I got involved in just looking at the
- 9 expenses associated with certain compounds they told
- 10 me were at issue and looking at what the expense
- 11 projections were.
- 12 Q. All right. Was there any
- 13 distinguishment -- did you distinguish, in any of
- 14 that analysis, between nominal and expected
- 15 spending?
- 16 MR. LORENZINI: Objection. Asked and
- 17 answered.
- 18 BY THE WITNESS:
- 19 A. I don't recall that I provided anything
- 20 but nominal expense projections.
- 21 BY MR. DAVIS:
- 22 Q. Was this -- to whom was this portfolio
- 23 analysis that has been marked as Exhibit 20 provided
- 24 within Abbott?

- 1 A. Jeff Leiden and senior management.
- 2 Q. And I take it, in putting together this
- 3 information -- in making this presentation available
- 4 to Abbott senior management -- the expectation was
- 5 the information contained in Exhibit 20 was
- 6 reasonably accurate; is that right?
- 7 MR. LORENZINI: Objection. The entire
- document? 8
- 9 MR. DAVIS: Yes.
- 10 MR. LORENZINI: Objection. Lacks foundation.
- 11 **BY THE WITNESS:**
- 12 A. I think the expectation of anything
- 13 presented to Jeff Leiden and senior management is
- 14 that it's reasonably accurate.
- 15 BY MR. DAVIS:
- 16 Q. It's generally a good career move?
- 17 A. Yeah. It's a good career move.
- 18 MR. DAVIS: Okay. Let's mark this as the next
- 19 exhibit, please.
- 20 THE REPORTER: 21.
- 21 (WHEREUPON, a certain document was
- 22 marked Hendricks' Deposition
- 23 Exhibit No. 21, for identification,
- 24 as of 04-27-2007.)

- 1 Q. And there is a column titled, "2002 APU @
- 2 4/12." Do you see that?
- 3 A. Yes.
- 4 Q. Do you know whether those are nominal or
- 5 expected numbers?
- 6 MR. LORENZINI: Objection. Lacks foundation.
- 7 BY THE WITNESS:
- 8 A. I do not know.
- 9 BY MR. DAVIS:
- 10 Q. Under, "2003 & 2004," are those nominal
- 11 or expected numbers?
- 12 A. I do not know.
- 13 MR. LORENZINI: Objection.
- 14 BY THE WITNESS:
- 15 A. I'm sorry. I do not know.
- 16 BY MR. DAVIS:
- 17 Q. Does Abbott maintain sort of a -- strike
- 18 that.
- 19 Does Abbott calculate net present values
- 20 for compounds that it has discontinued?
- 21 A. Well, the only -- the answer to that
- 22 would be, in the context of out-licensing the
- compound in discussions with somebody that might be
- 24 interested, perhaps. I have not done any -- let me

- 1 make sure that I'm precise on this.
- 2 I haven't done it. You would probably
- 3 find -- you would have to ask people in the Business
- 4 Development Department. But, most likely, when
- 5 you're negotiating with someone for out-licensing
- one of your assets, that might be part of the
- 7 analysis that's done.
- 8 Q. All right. The categories that you've
- 9 been designated to testify to here today include,
- 10 from Exhibit 1, Abbott's valuation of and methods
- 11 for valuing, including, without limitation, any
- models used in valuations of the program compound
- 13 known as ABT-518 at any time from January 1, 2001,
- 14 to the present.
- 15 What is Abbott's current valuation of
- 16 ABT-518?
- 17 MR. LORENZINI: Objection.
- 18 BY THE WITNESS:
- 19 A. I have no idea.
- 20 BY MR. DAVIS:
- 21 Q. What steps did you take, before your
- 22 deposition here today, to determine what Abbott's
- 23 current valuation of ABT-518 is?
- 24 A. I didn't take any. I didn't even think

- 1 about it in that context.
- 2 Q. Would the same be true with respect to
- 3 ABT-594?
- 4 A. Yes.
- 5 Q. And would the same be true with respect
- to ABT-773? 6
- 7 A. Yes.
- 8 Q. Do you know whether within Abbott there
- 9 are documents that would indicate what the current
- 10 valuation of ABT-518 is?
- 11 A. I do not know that, if there are any.
- 12 Q. Would it be you don't know because you
- 13 haven't looked; is that right?
- 14 A. I have not looked, and I do not know of
- 15 any documents.
- 16 Q. Do you know what -- how Abbott valued
- 17 ABT-518 at any point in time?
- 18 A. Yes.
- 19 Q. We saw some documents here today.
- 20 A. We saw documents in here.
- 21 Q. So do you know how Abbott valued ABT-518,
- 22 at any point in time, since those documents were
- 23 generated that we marked earlier in your deposition
- 24 here today?

THE UNITED STATE:	S DISTI	RICT COURT
FOR THE DISTRIC	Γ OF M	ASSACHUSETTS
JOHN HANCOCK LIFE I	NSURA	NCE)
COMPANY, et al.,)	
Plaintiffs,)	Civil Action
vs.)	No. 05-11150-DPW
ABBOTT LABORATORI	ES,)	
Defendant	-	

SIGNATURE AND CHANGES

Page	<u>Line</u>	Now Reads	Should Read
10	5	sales of revenue	sales and revenue
25	22	sales of revenue	sales and revenue
116	16	These look to be nominal.	These look to be nominal. To the extent that projected spending numbers for a particular year in these type of documents are from the Plan or a budget update, the projected spending for that year would not necessarily include post-milestone expenses. Budget figures are not risk-adjusted but, as explained on page 165, may or may not include post-milestone spending.
171	24	Objection. If you see blue	Objection. BY THE WITNESS: If you see blue
219	14-15	not the personal	not as a corporate
243	22	I was terminated	It was terminated
243	3	that document	that compound
246	21	prior to termination.	Prior to termination. Since the deposition, however,
			I have reviewed a January 2002 draft memorandum
			to Miles White that contains a more recent pre-
			termination valuation of ABT-773.

I, KEITH HENDRICKS, have read the transcript of my deposition on April 27, 2007 and hereby affix my signature that same is true and correct, except as noted above.

KEITH HENDRICKS

DATE

Hendricks Deposition Exhibit 1

P's Exhibit QM

UNITED STATES DISTRICT COURT FOR THE DISTRICT OF MASSACHUSETTS

JOHN HANCOCK LIFE INSURANCE

COMPANY, JOHN HANCOCK

VARIABLE LIFE INSURANCE

COMPANY, and MANULIFE

INSURANCE COMPANY (f/k/a

INVESTORS PARTNER INSURANCE

COMPANY),

Plaintiffs,

CIVIL ACTION NO. 05-11150-DPW

ABBOTT LABORATORIES,

٧.

Defendant.

NOTICE OF DEPOSITION

PLEASE TAKE NOTICE that, pursuant to Fed. R. Civ. P. 30(b)(6), plaintiffs John Hancock Life Insurance Company, John Hancock Variable Life Insurance Company, and Manulife Insurance Company (f/k/a Investors Partner Insurance Company) (collectively, "John Hancock") will take the deposition of defendant Abbott Laboratories on April 12, 2007 commencing at 9:30 a.m. at the offices of Levenfeld Pearlstein, LLC, 2 North LaSalle Street, Suite 1300, Chicago, Illinois, or such other location as may be mutually agreed to by the parties. Abbott shall designate, prepare and produce one or more knowledgeable officers, directors, or other representatives to testify on its behalf as to the topics set forth below.

HENDACK SDEP EX NO_

PLEASE TAKE FURTHER NOTICE that the deposition noticed above will be recorded stenographically, and through real-time court reporting, such as by LiveNote. The deposition also may be recorded by audio or video technology, such as videotape. The deposition will be taken before a notary public or other person authorized to administer oaths and will continue from day-to-day until completed, Saturdays, Sundays and holidays excepted.

Definitions

For purposes of this Notice, John Hancock adopts the "Uniform Definitions in Discovery Requests" contained in Local Rule 26.5. The following additional terms shall have the meanings set forth below:

- 1. "You," "your" and "Abbott" shall mean defendant Abbott Laboratories, its various corporate parents, subsidiaries, affiliates, subdivisions and departments, and any and all representatives, successors, assigns, officers, directors, employees, agents, attorneys or other persons or entities who have acted or purported to act for or on behalf of any of them.
- 2. "Abbott's Senior Management" shall mean the Abbott personnel who had or have overall responsibility, authority and accountability for managing Abbott's Global Pharmaceutical Research and Development organization and operations, including, without limitation, Miles D. White and the "Senior Management" referenced in Abbott Document No. ABBT0101924.
- 3. "John Hancock" shall mean collectively defendants John Hancock Life Insurance Company, John Hancock Variable Life Insurance Company, and Manulife Insurance Company (f/k/a Investors Partner Life Insurance Company), their various subsidiaries, affiliates, divisions and departments, and any and all representatives, successors, assigns,

officers, directors, employees, agents, auditors, attorneys or other persons or entities who have acted or purported to act for or on behalf of any of them, including, without limitation, representatives of the StoneTurn Group.

- The "Research Funding Agreement" shall mean the Research Funding 4. Agreement by and between Abbott and John Hancock, dated as of March 13, 2001.
- The "Program Compounds" shall have the meaning set forth in the Research 5. Funding Agreement.
- "Program Term" shall have the meaning set forth in the Research Funding 6. Agreement.
 - "Regarding" shall have the same meaning as "concerning." 7.
 - "Any" also shall mean "all," and "all" also shall mean "any." 8.
- "And" as well as "or" shall be construed both disjunctively and conjunctively to 9. mean "and/or."

Topics Of Examination

- Abbott's knowledge and belief concerning the prospects and condition (including 1. safety, efficacy, scientific viability or commercial viability) of the Program Compound known as ABT-518 as of March 13, 2001.
- Abbott's knowledge and belief concerning the prospects and condition (including 2. safety, efficacy, scientific viability or commercial viability) of the Program Compound known as ABT-594 as of March 13, 2001.

- Abbott's knowledge and belief concerning the prospects and condition (including 3. safety, efficacy, scientific viability or commercial viability) of the Program Compound known as ABT-773 as of March 13, 2001.
- The knowledge and belief of each member of Abbott's Senior Management 4. concerning the prospects and condition (including safety, efficacy, scientific viability or commercial viability) of the Program Compound known as ABT-518 as of March 13, 2001.
- The knowledge and belief of each member of Abbott's Senior Management 5. concerning the prospects and condition (including safety, efficacy, scientific viability or commercial viability) of the Program Compound known as ABT-594 as of March 13, 2001.
- The knowledge and belief of each member of Abbott's Senior Management 6. concerning the prospects and condition (including safety, efficacy, scientific viability or commercial viability) of the Program Compound known as ABT-773 as of March 13, 2001.
- Abbott's valuation of, and methods for valuing (including, without limitation, 7. any models used in such valuations) the Program Compound known as ABT-518 at any time from January 1, 2001 to the present.
- Abbott's valuation of, and methods for valuing (including, without limitation, 8. any models used in such valuations) the Program Compound known as ABT-594 at any time from January 1, 2001 to the present.
- Abbott's valuation of, and methods for valuing (including, without limitation, 9. any models used in such valuations) the Program Compound known as ABT-773 at any time from January 1, 2001 to the present.
- Abbott's nominal or intended and reasonably expected spending on the Program 10. Compound known as ABT-518 at any time from January 1, 2001 to the present.

- 11. Abbott's nominal or intended and reasonably expected spending on the Program Compound known as ABT-594 at any time from January 1, 2001 to the present.
- 12. Abbott's nominal or intended and reasonably expected spending on the Program Compound known as ABT-773 at any time from January 1, 2001 to the present.
- 13. Abbott's reasons for discontinuing or terminating the development of the Program Compound known as ABT-518.
- 14. Abbott's reasons for discontinuing or terminating the development of the Program Compound known as ABT-594.
- 15. Abbott's reasons for discontinuing or terminating the development of the Program Compound known as ABT-773.
- 16. All communications among or between Abbott's Senior Management, at any time from January 1, 2000 to the present, regarding the prospects or condition (including safety, efficacy, scientific viability or commercial viability) of the Program Compound known as ABT-518.
- 17. All communications among or between Abbott's Senior Management, at any time from January 1, 2000 to the present, regarding the prospects or condition (including safety, efficacy, scientific viability or commercial viability) of the Program Compound known as ABT-594.
- 18. All communications among or between Abbott's Senior Management, at any time from January 1, 2000 to the present, regarding the prospects or condition (including safety, efficacy, scientific viability or commercial viability) of the Program Compound known as ABT-773.

- 19. All communications among and between senior Abbott's Senior Management, at any time from January 1, 2000 to the present, regarding the actual or potential discontinuation or termination of development of the Program Compound known as ABT-518.
- 20. All communications among and between senior Abbott's Senior Management, at any time from January 1, 2000 to the present, regarding the actual or potential discontinuation or termination of development of the Program Compound known as ABT-594.
- 21. All communications among and between senior Abbott's Senior Management, at any time from January 1, 2000 to the present, regarding the actual or potential discontinuation or termination of development of the Program Compound known as ABT-773.
- 22. The creation of, analysis reflected in, or actions taken by Abbott in connection with, the document attached hereto as <u>Exhibit A</u> as it pertains to the Program Compounds known as ABT-518, ABT-594 and ABT-773.
- 23. The creation of, analysis reflected in, or actions taken by Abbott in connection with, the document attached hereto as Exhibit B as it pertains to the Program Compounds known as ABT-518, ABT-594 and ABT-773.
- 24. The creation of, analysis reflected in, or actions taken by Abbott in connection with, the document attached hereto as Exhibit C as it pertains to the Program Compound known as ABT-594.

JOHN HANCOCK LIFE INSURANCE COMPANY, JOHN HANCOCK VARIABLE LIFE INSURANCE COMPANY, INSURANCE MANULIFE **COMPANY** (f/k/a INVESTORS PARTNER INSURANCE COMPANY)

By its attorneys,

Brian A. Davis (BBO No. 546462) Joseph H. Zwicker (BBO No. 560219) Karen Collari Troake (BBO No. 566922) Richard C. Abati (BBO No. 651037) CHOATE, HALL & STEWART LLP

Two International Place Boston, Massachusetts 02110

Tele: (617) 248-5000 Fax: (617) 248-4000

Date: March 30, 2007

4191661.1

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing document was served by electronic and overnight mail upon Peter E. Gelhaar, Esq., Donnelly, Conroy & Gelhaar, LLP, One Beacon Street, 33rd Floor, Boston, MA 02108, and Gregory D. Phillips, Esq., Munger, Tolles & Olson LLP, 355 South Grand Avenue, Los Angeles, CA 90071, on this 30th day of March, 2007.

Richard C. Abati

Exhibit A

TIAL PORTFOLIO PRIORITIZATION			C- continue P- pending T- terminate	
Project	Priority	Next steps	Responsibility	Timing
Anti-infectives ABT-492	¢	Address safety issues (including QTc) with internely expert review Determine how many indications at issuech (pay back)	+J. Leonard	•
HSR-903	- T	Consider tracing with Dalichi Hait any new expenditure	• J. Tyree	•
ABT-773	C	Assess side effects issues with expert review (QYo and liver tox.) Ensure all drug interactions are adequately covered Assess relative to Ketek	J. Leonard J. Leonard J. Leon	
Urology BSF 420627	P .	Set up task force to address issues and bring back plan to senior immegement Reasons for failure of the SKB ETarb antagonist Design short I—4 week) PoP tries for symptom relief Rationals for sustained release formulation Nature of the Schwarz Pharma relationship	• J. Leonard	- By May
Hypothyroidism T3/14	, P	- Assess most appropriate ratio - Gain PDA feedback on study design - Determine ex-US market attractivenees (price)	• J. Leonard	• By May
Asthma Hokunalin tape	P	Conduct market research on acceptance by different patient segments Determine how to position against long acting bets appraise and combination inhalers Evaluate opporturity to gain complete access to the	• A. Higgins/ E. Florentino • J. Tyree	• Mey

TIAL PORTFOLIO PRIORITIZATION (CONTINUED)			C- continu P- pending T- termina	
Project	Priority	Next steps	Responsibility	Theing
Oncology ABT-510	C	Pussue proof of concept Leverage TAP knowledge of angiogenesis product development (appropriate entipolitie)	• Project team	- As planned
ABT-751	¢	Pursue proof of concept Use schocardiogram to monitor potential cardiotoxidity Resolve potent drug manufacturing approach	Project team CMC group	• As planned
ABT-518	Hold	Wait for May results from PRzer (will save ~\$1mill) and re-evaluate Helt all further expenditure	• Serior management	• May
Rubitecan	P	Significent clinical rework required (funded by pariner)- further in-depth review required Make a proceed decision when 2Q data available	J. Leonard	• By May
Theragyn	P	Negative Initial scientific perspective - further in- depth review required, e.g., Determine if there is a PoC to support claim Address GMP lesues Determine best control to demonstrate efficacy Re-look at parmership contract	J. Leonard J. Tyres	• By May • By May
A81-627	C	Seek alternative funding (e.g., NOI) before starting major trial If move ahead Determine how to ensure NDA filing in 2004 Get FDA input since survival not primary endpoint Harmonize US and EU study design and inputs Consider partnership (e.g., BI or established oncology player)	• J. Leonard, P. Nisen • J. Tyrse	• ASAP

TIAL POR	JAL PORTFOLIO PRIORITIZATION (CONTINUED)			
Project	Priority	Next steps	Responsibility	Timing
Cardiology/ thromboals Darusentan (LU 135252)	Hold	Continue currently budgeted funding for next 6 months Do not start any new trials (e.g., hypertension planned)	• Project team	Ongoing
		for May) - It proceed, plan for pilot to took at effects in sperm and tetratogeneoity - Consider out-Boense or swap	• J. Tyree	• ASAP
LU 208075	Hold	 Continue currently budgeted funding for next six 	 Project leam 	• ongoing
		months • Look at Myogen deel • Out-license of swap	• J. Tyree	
Levorimendan	C	 Conduct detailed expert panel review for trial design. 	 J. Leonard 	• May
PEG-hirudin	P	Set up expert pahel for commercial assessment (is diabetes an option?)	· E. Ogunro	• By May
Ancrod	т	· Identity out-licensing opportunities	• J. Tyree	• TBO
Uroldnese	P	Market research required on open cath March versus IPA in dose-ranging studies to determine efficacy	• E. Florantino	• By May
Pro-utokinase	C	Identify opportunities to speed up program	 Project learn 	• TBD
Cityarine	C	Assessment by HPD (review previous evaluation and new trial data)	• E. Ogunio	• By May
		 Understand Snished product manufacturing cost 	• B, Dempsey	
Rythmol SR	C	Continue filing Verity It package is likely approvable Assess commercial attractiveness in a generic market	• Project leam	• Ongoin

INITIAL PORTFOLIO PRIORITIZATION (CONTINUED)

Project	Priority	Next steps	Responsibility	Timing
Neuroscience ABT 594	Р	Awalt results from ongoing P1l trial — probable T Project lears to develop decision criteria for going go	• Senior management	• June/ July
ABT 963	C	Identify a co-development/co-promotion partner (TAP ligh on list)	J. Tyree Project team	• TBD
		Evaluate benefits of the long half life in pain and cancer (including additional physician market research) Explore cancer prophylade and Alzheimer's indications	. Liolen segui	
BSF 201640	P	Complete review of all sohizophrenia NCEs with expert	• I. Loew	• By May
		 panel Complete stalling of internal project team, but has buther expenditure beyond looking at hepatic tox. and QTc 	• Project team	
		 Understand Novartis contract and level of interest 	• J. Tyree	
BSF 190555	P	Complete review as above Half further expenditure pending outcome	• I. Loew	+ As above
8SF 74396	C	Allow DevCo to continue development Re-took at relationable with DevCo	Project learnJ. Tyree	• By May
Dilusdid Oros	Hold	Return to ALZA or out-license to other interested partner	• J. Tyree	• TBD
Hydrocodone	C	Assets regulatory pathway Understand DEA impact on manufacturing	• Project team	• By May
Bimoclomol (ABT 822)	P _.	Await data from ongoing trial in April before deciding whether to continue - probable T Heit further expenditure pending outcome	 Senior management 	• Apali

ITIAL PORTFOLIO PRIORITIZATION (CONTINUED)		C- continue P- pending T- terminate		
Project	Priority	Next steps	Responsibility	Thring
Gustro-enterology Genaton	Р	Conduct U.S. commercial assessment with TAP Assess how to position in Europe versus generics and implications for comparative trial	• E. Florentino	• By June
		Develop model to assess spend at different remination points	• Bob Funck	• By May
TU-199	T	Terminate outside Japan	• Project team	• Immediate
AU-224	¢	Develop and pursue a small PoC trial in humans ASAP (consider richs indication first and leverage Martene's expertise)	- Project team	- ASAP
		Conduct market research on IBS versus constlipation (including pricing)	• E. Plorentino	
immunology D2E7	C	Conduct Intensive product review 2 day meeting with J. Lennard's group (stready in process) - V. day session with senior management group	• J. Leonard	• By May
		- your sections include - Approach FDA for last track and compassionate use - Approach FDA for last track and compassionate use - Develop strategy for DMARD claim in first submission - Assess need for Enbrel assay to detect HAHAs - Assess delivery device options - Eveluate additional indications (e.g., Psortests, Crohnes, heart father) and pediatric program - Profile Cellisch product - Assess impact of additional IV program on reimbulgement.	Various	• By May
		Develop list of potential marketing partners for quids	• J. Tyree	

INITIAL PORTFOLIO PRIORITIZATION (CONTINUED)

C- continue P- pending T- terminate

Project	Priority	Next staps	Responsibility	Timing
immunology (continued) Segard	Hold	Continue filing in EU and Canada Put on hold in US - consider creating a small learn in the	• Project learn • J. Leonard	Ongoing
·		US to analyse date, propose smaller Pil study Research pricing, marketing and Phase IV plans in Europe Look at TNF-sipha levels retrospectively to see stratification with IL-6 Assess manufacturing strategy	• J. Tyree	
		Identity potential out-floensing opportunities (Generalsch)	•	. 1010
J895	P	Decide on most attractive indications from Abbolt and partner perspective	• E. Plorentino	• ASAP
		Discuss with partner ways to share the various indications and potential by TNF-siphe combinations	• J. Tyree	
		Add commercial person to the project leave by this week	• Ongoing	

IAL PORTFO	LIO P	RIORITIZATION (CONTINUED)		C- continue P- pending T- terminat
Project	Priority	Next steps	Responsibility	Timing
PIV programs Clarithromycln	C	None identified	•	•
Omnicel	C	• Talk to partners	• J. Tyree	•
Keletra	C	None Identified	• •	•
Norvir	C	None identified	-	•
Meridia	Hold	Conduct commercial assessment for CNS and depression (P&L)	 B. Dempsey, J. Amott, E. Florantino 	• ASAP
		Assess combination therapy with florales Assess outcomes trist design to meet preferred commercial profile; determine payback	• Project learn	
Uprima	C	· Ensure no redundant trials with TAP in Europe	 Project leam 	 Ongoing
Trandolaprii palch	T	• Hait all activities	- Project team	• immedia
Trandolaprii "invest" olinical program	Р	 Review Irial in more detail (reduce complexity and risk) 	• E. Florentic	• By May
Other trandotepril trinis	C	 Continue "Create", "Peace" and "Benedict" trial programs 	• Project team	• Ongoing
Fenofibrate	C	 Develop co-formulation ideas with Meridia and statine (including assessment of sales and costs) 	• Project team	•
Depakote	C	None Identified	•	•
Gengraf	Ç	None identified	•	

Exhibit B

TIAL PORTI	FOLIO	PRIORITIZATION		C- continue P- pending T- terminal
Project	Priority	Next steps	Responsibility	Timing
Anti-infectives ABT-492	С	Address safety Issues (Including QTo) with internal/ expert review Determine how many indications at leunch (pay back)	- J. Leonard	•
HSR-903	T	Consider trading with Delichi Halt any new expenditure	• J. Tyree	•
ABT-773	C	Assess side effects issues with expert review (QTc and liver tox.) Ensure all drug interactions are adequately covered Assess relative to Ketek	• J. Leonard • J. Leonard • I. Loew	•
Urology BSF 420627	Р	Set up task lorse to address issues and bring back plan to servior management Reasons for failure of the SKB ETafb antagonist Design short (-4 week) PoP trial for symptom relief Rationale for substitud release formulation Nature of the Schwarz Pharms relationship	• J. Leonard	• By May
Hypothyroidism T3/T4	P	Assess most appropriate ratio Gain FDA leadback on study design Determine ex-US market attractiveness (price)	•'J. Leonard	• By May
Asthere Hokunalin tapa	P	Conduct market research on acceptance by different patient segments Determine how to position against long acting beta agenters and combination inhalers Evaluate opportunity to gain complete access to the patch technology	• A. Higgins/ E. Florentino • J. Tyres	• May

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TIAL POF	RTFOLIO	PRIORITIZATION (CONTINUED)		C- continue P- pending T- terminet
Project	Priority	Next steps	Responsibility	Timing
Oncology ABT-510	G	Pursue proof of concept Leverage TAP knowledge of angiogenesis product development (appropriate endpoints)	• Project learn	• As planned
ABT-751	c	Pursue proof of concept Use enhocatiogram to monitor potential cardiotodotry Resolve potent drug manufacturing approach	Project team CMC group	• As planned
ABT-518	Hold/T	Walt for May results from Pfizer (Will save ~\$1 mill) and re-evaluate Hait all further expenditure	 Senior management 	• May
Rubliscan	P	Significant clinical rework required (funded by partner)- further in-depth review required Males a proceed decision when 2Q data available	• J. Leonald	• By May
Theragyn	P	Negative initial adeptific perspective - further indepth review required, e.g., Determine it there is a PoC to support claim Address GMP issues Determine best control to demonstrate efficacy Re-look at perthership contract	 J. Leonard J. Tviés 	• By May • By May
ABT-827	C	Seak alternative funding (e.g., NCI) before starting major trial It move shead Determine how to ensure NDA fitting in 2004 Get PDA input since survival not primary endpoint Harmonize US and EU study design and inputs Consider permerating (e.g., BI or established encology player)	J. Leonard, P. Nisen J. Tyree	• ASAP

TIAL POR	TFOLI	O PRIORITIZATION (CONTINUED)		C- continue P- pending T- terminal
Project	Priority	Next steps	Responsibility	Timing
Cardiology/ thrombosis				
Darusenian (LU 195252)	Hold/T	Continue currently budgeted funding for next 6 months Do not start any new trials (e.g., hypertension planned for May)	• Project team	+ Ongoing
		Consider out-license or swap	• J. Tyrea	+ ASAP
LU 208075	Hold/T	Continue currently budgeted funding for next six months	• Project team	• ongoing
		Look at Myogen deal Out-license or swep	- J. Tyree	
Levosimendan	С	Conduct detailed expert panel review for trial design	• J. Leonard	• May
PEG-hkudin	P,	 Set up expert panel for commercial assessment (is diabetes an option?) 	- E. Ogunio	• By May
Ancrod	T	Identity out-licensing opportunities	• J. Tyree	• TBD
Urokinase	P	Market research required on open cath Match versus IPA in dose-ranging studies to determine efficacy	• E. Florentino	• By May
Pro-urokinase	C	 Identify opportunities to speed up program 	 Project team 	• TBD
Cilvarine	C	Assessment by HPD (review previous availuation and new trial date)	• E. Ogunio	• By May
		 Understand finished product manufacturing cost 	 B. Dempsey 	
Rythmol SR	0	Continue filing Verify if package is likely approvable Assess commercial attractiveness in a generic market	• Project team	• Ongoing

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C- continue

P-pending T-terminate

- By May

• By May

• TBD

April

• J. Tyree

Senior

• Project team

menagement

Diluadid Oros

Hydrocodone

Bimodomoi (ABT 822)

Hold/T

C

Responsibility Timing Priority Next steps Project Neuroscience ABT 594 • June/ July Senior P Await results from ongoing Pil trial — probable T Project team to develop decision criteria for gaino go management Identity a co-development/co-promotion partner (TAP high on list) Evaluate benefits of the long half life in pain and cancer (including additional physician marter research) Explore cancer prophytists and Alzhelmer's indications • J. Tyres • T80 ABT 963 Q · Project leam · Complete review of all schizophrenia NCEs with expert - L Loew • By May BSF 201840 ponel Complete staffing of internal project team, but half further expenditure beyond looking at hepsilc tox, and CT'c Understand Novemis contract and level of interest • Project team • J. Tyree • I. Low • As above Complete review as above Heit further expenditure pending outcome BSF 190655 Allow DevCo to confinue development Re-lock at relationship with DevCo • Project team • J. Tyree BSF 74398 C (no cost)

. Roturn to ALZA or out-license to other interested partner

Awalt data from engoing trial in April before deciding whether to continue - probable T
 Hall jurther expenditure pending outcome

Assess regulatory pathway
 Understand DEA impact on manufacturing

INITIAL PORTFOLIO PRIORITIZATION (CONTINUED)

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TIAL PORTFOLIO PRIORITIZATION (CONTINUED)		C- continue P- pending T- terminale		
Project	Priority	Next steps	Responsibility	Timing
Gastro-enterology Ganation	P	Conduct U.S. commercial assessment with TAP Assess how to position in Europe versus generics and implications for comperative trial	• E. Plorentino	• By June
		Develop model to assess spend at different termination points	• Bob Funck	• By May
TU-199	T	* Terminate outside Japan	• Project team	• immediate
AU-224	C	Develop and pursue a small PoC trial in humans ASAP (consider niche indication first and leverage Mailene's expertise)	 Project team 	• ASAP
		Conduct market research on IBS versus constitution (including pricing)	• E. Florertino	
Immunology				
D2E7	C	Conduct intensive product review 2 day meeting with J. Lennard's group (already in process) Holy session with senior management group	• J. Leonard	• By May
		- Important actions include - Approach FDA for fast track and compessionate use - Develop strategy for DMARD claim in first submission - Assess need for Embrat assay to detect HAHAs - Assess delivery device options - Evaluate additional indications (e.g., Psoriasis, Crohns, heat faiture) and pediatric program - Profile Celitech product - Assess Impact of additional IV program on reimbursement.	• Various	• By May
		Develop list of potential madeling partners for quids	• J. Tyree	

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INITIAL PORTFOLIO PRIORITIZATION (CONTINUED)

C- continue P- pending T- terminate

Project	Priority	Next steps	Responsibility	Timing
Immunology (continued) Segard	Hold	Continue tiling in EU and Canada Put on hold in US – consider creating a small team in the US to analyse data, propose smaller Pil study Research pricing, marketing and Phase IV plans in Europe Look at Thif-alpha levels retrospectively to see stratification with it6 Assess manufacturing strategy	Project learn J. Leonard J. Tyree	• Ongoing
J695	P	 identify potential out-licensing opportunities (Generalch) Decide on most attractive indications from Abbott and partine perspective Discuss with partner ways to share the various indications and potential for TNF-siphs combinations Add commerciat person to the project learn by this weak 	• E. Florentino • J. Tyree • Ongoing	+ ASAP

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AL PORTFO	LIO P	RIORITIZATION (CONTINUED)		C- continue P- pending T- terminate
Project	Priority	Next steps	Responsibility	Timing
PIV programs Clarithromytin	0	None identified	•	•
Omnicet	C	None Identified	•	•
Kajetra	C	None identified	-	•
Norvir	C	None identified	-	•
Meridia	Hold	Conduct commercial assessment for CNS and depression (P&L)	 B. Dempsey, J. Amoti, E. Florentino 	• ASAP
		 Assess combination therapy with fibrates Assess outcomes tital design to meet preferred commercial profile; determine psytock 	• Project team	
Uprima	C	· Ensure no redundant trials with TAP in Europe	• Project team	• Ongoing
Trandolaprii petch	T	· Halt all activities	 Project team 	• Immediate
Trandolaprii "Invest" clinical program	P	 Review trial in more detail (reduce complexity and risk) 	• E. Florento	- By May
Other trandolapili Irials	C	 Continue "Create", "Peace" and "Banedict" trial programs 	• Project team	Ongoing
Fenolibrate	C	 Develop co-formulation ideas with Meridia and statins (including assessment of sales and costs) 	• Project team	•
Depakote	C	- None identified	•	•
Gengral	C	None Identified	•	•

Exhibit C

NO. 1275 P. 20 -NOV. 20. 2003 8:23AM Bruce McCarthy Mike Blamesen John Leonard. Chris Silber George Carter Mike Comilla Steve Cohen Mike Higgins Matt Russell Tom Woldat <u>ö</u> ANALGESIA VENTURE Revised 1/26/01 2001 PLAN).

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2001 PLAN Review (Pass II) Analgesia Venture Table of Contents

Venture Functional Expense NPS 1776 Project Expense ABS-103 Project Expense ABT-963 Project Expense 4BT-069 Project Expense 4BT-594 Project Expense NPS 1776 Key Statistics ABT-963 Key Statistics ABS-103 Key Statistics ABT-089 Key Statistics 4BT-594 Key Statistics Summany of Projects Stue Plan Summary NPS 1776 Grants ABT-089 Grants ABS-103 Grants ABT-963 Grants ABT-594 Grants

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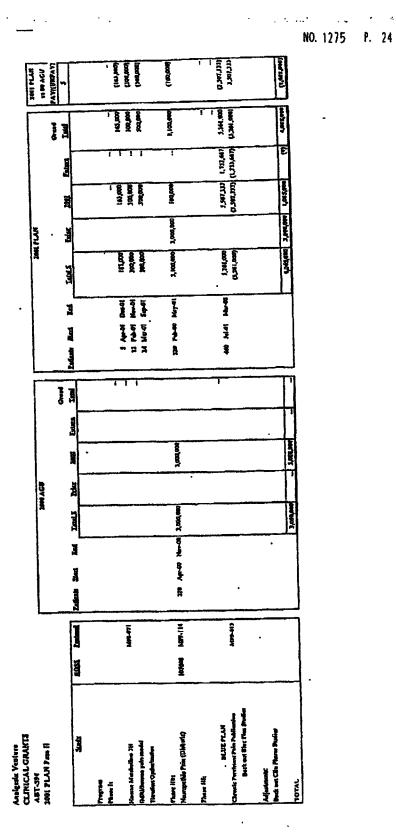
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PHARMACEUTICAL PRODUCTS RESEARCH AND DEVELOPMENT 2000 AUGUST UPDATE / 2001 PLAN G0- 143010 CCM ABT594 (BASE & ORAL PAIN)

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	2000	2000	AUG. UPD VS.	2001	PLAN VS.	
Z6-Jan-01		AGU	APR. UPD.	PLAN	AUG. UPD.	
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PPD INVESTIGATIONAL DR						
PPD Investigational Drug QA	23_	55 55	(32)	86	(32)	
	23_ 23	55	(32)	86	(32)	
Venture Management						
Analgesia/CCM Venture	4,739_	4,493	246	3,988	505	
	4,739	4,493	246	3,988	505	
Discovery						•
Advanced Technology	25	50	(25)	26	24	
Neurological & Urological Res	_ +==			51_	(51)	
	25	50	(25)	77	(28)	
Drug Safety	,					
Experimental Science	23	70	(46)	187	(118)	
Clinical Drug Analysis	290	290	***	409	(120)	
Toxicology	1,366	896	471	233	.663	
Pathology	604	572	32	493	79	
Comparative Medicine	591	591		34	557	
Strategic & Exploratory Science	4		4	7		
	2,877	2,417	460	. 1,362	1,055	
Pharm Analytical R&D			,			
ANALYTICS DEV & SUPPORT	791	879	(88)	641	238	•
FORMULATION DEV & SUPPORT	764	745	19	226	519	ľ.
CLINICAL FINISHING	403	607	(204)	145	462	
PROJECT MGMT SUPPORT	197	178		63	115	
	2,155	2,409	(254)	3,075	1,334	
PHASE-I CENTER						
Phase-I Admin/Pharmacokinetics	185	185		259	(74)	
ACPRU	23_	25		367	(343)	
	208	210	(2)	627	(417)	
Development Operations						
Data Management	475	475		259	216	
Statistics	160	171	• •	129	42 .	
ABBOTT RES & LIBRARY INF-ARL	89	89		140	(51)	•
	724	735	(11)	528	207	•
Regulatory Affairs						
Regulatory Affairs	20	20		151	(131)	
Research QA	131	80		87	(1)	
	151	100	50	232	(132)	
Medical Affairs						
Genetics/Admin	***	•		2	(2)	
Medical Services	53	53		10	43	
Outcomes Res/Admin.	42	42		37	5_	
	95	95	•••	49	46	
Administration	•					
R&D Operations/Project Services	75	43		45	(2)	
	75	43	32	45	(2)	
AI MANPOWER						
International Manpower	50	20	30	53	(33)	
Friday, January 26, 2001 4:04:48 PM					Page 1 of 4	
PROJECT GLOBAL PPD REPORT BY PROJ ST					6v · v	

Highly Confidential

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Programme Application of the Control of the Control

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	2000 AUGUS	T UPDATE	/2001 PLAN		. K.
G0- 1	3018 CCM	ABT594 (BA	se & oral pa	UN)	
5		(\$000)			
		•	FAY/(UNFAY)		fav/(Unfav)
	2000		AUG. UPD VS.	2001	plan VS.
26~Jan-01	APU	AGU	APR. UPD.	PLAN	aug. UPD.
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	50	20	50		•••
PPD R&D SERVICES PURCE	235	235			235
SPD Services Purchased	235	235		144	235
CLINICAL GRANTS					
CLINICAL GRANTS	3,000	2,800	200	1,065	1,735 1,735
	3,000	2,806	<u>200</u>	1,065 9,187	4,474
	14,357	13,661			
			•	•	
•			~ .	120	
,			260	100	•
				9,307	

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 PROJECT GLOBAL PTD REPORT BY PROJ SUBDIV

Page 2 of 4

Hendricks Deposition Exhibit 2

P's Exhibit RV

UNITED STATES DISTRICT COURT FOR THE DISTRICT OF MASSACHUSETTS

JOHN HANCOCK LIFE INSURANCE

COMPANY, JOHN HANCOCK

VARIABLE LIFE INSURANCE

COMPANY, and MANULIFE

INSURANCE COMPANY (f/k/a

INVESTORS PARTNER INSURANCE

COMPANY),

Plaintiffs,

V.

ABBOTT LABORATORIES,

Defendant.

REVISED NOTICE OF DEPOSITION

PLEASE TAKE NOTICE that, pursuant to Fed. R. Civ. P. 30(b)(6), plaintiffs John Hancock Life Insurance Company, John Hancock Variable Life Insurance Company, and Manulife Insurance Company (f/k/a Investors Partner Insurance Company) (collectively, "John Hancock") will take the deposition of defendant Abbott Laboratories on Friday, April 27, 2007, commencing at 9:30 a.m. at the offices of Levenfeld Pearlstein, LLC, 2 North LaSalle Street, Suite 1300, Chicago, Illinois, or such other location as may be mutually agreed to by the parties. Abbott shall designate, prepare and produce one or more knowledgeable officers, directors, or other representatives to testify on its behalf as to the topics set forth below.

FOR ID. AS OF JOY OF

PLEASE TAKE FURTHER NOTICE that the deposition noticed above will be recorded stenographically, and through real-time court reporting, such as by LiveNote. The deposition also may be recorded by audio or video technology, such as videotape. The deposition will be taken before a notary public or other person authorized to administer oaths and will continue from day-to-day until completed, Saturdays, Sundays and holiday excepted.

Definitions

For purposes of this Notice, John Hancock adopts the "Uniform Definitions in Discovery Requests" contained in Local Rule 26.5. The following additional terms shall have the meanings set forth below:

- "You," "your" and "Abbott" shall mean defendant Abbott Laboratories, its 1. various corporate parents, subsidiaries, affiliates, subdivisions and departments, and any and all representatives, successors, assigns, officers, directors, employees, agents, attorneys or other persons or entities who have acted or purported to act for or on behalf of any of them.
- "John Hancock" shall mean collectively defendants John Hancock Life Insurance 2. Company, John Hancock Variable Life Insurance Company, and Manulife Insurance Company (f/k/a Investors Partner Life Insurance Company), their various subsidiaries, affiliates, divisions and departments, and any and all representatives, successors, assigns, officers, directors, employees, agents, auditors, attorneys or other persons or entities who have acted or purported to act for or on behalf of any of them, including, without limitation, representatives of the StoneTurn Group.
- The "Research Funding Agreement" shall mean the Research Funding Agreement 3. by and between Abbott and John Hancock, dated as of March 13, 2001.

- 4. The "Program Compounds" shall have the meaning set forth in the Research Funding Agreement.
 - 5. "Regarding" shall have the same meaning as "concerning."
 - 6. "Any" also shall mean "all," and "all" also shall mean "any."

Topics Of Examination

- 1. Abbott's usual policies, practices, procedures and methodologies, as of 2000 and 2001, for projecting future sales and revenues for the Program Compounds or other pharmaceutical compounds under development by Abbott, including, but not limited to:
 - a. how Abbott considered or analyzed market opportunities for such compounds;
 - b. how Abbott considered or analyzed actual or potential competing products for such compounds;
 - any market data or other information considered by Abbott in projecting sales and revenues for such compounds;
 - d. how Abbott considered or analyzed the likelihood of regulatory success for such compounds;
 - e. how Abbott considered or analyzed commercialization costs, such as manufacturing and marketing costs, for such compounds;
 - f. how Abbott considered or analyzed potential profits for such compounds;
 - g. the identity and responsibilities of the persons who had primary responsibility within Abbott for projecting future sales and revenues for such compounds; and
 - h. any other factor that Abbott considered or analyzed in projecting future sales and revenues for such compounds.

- 2. The specific policies, practices, procedures and methodologies utilized by Abbott to project future sales and revenues for the Program Compound known as ABT-518 in 2000 and 2001, including, but not limited to, the policies, practices, procedures and methodologies utilized by Abbott to prepare the sales projections set forth in the documents attached hereto as Exhibit A.
- 3. The specific policies, practices, procedures and methodologies utilized by Abbott to project future sales and revenues for the Program Compound known as ABT-594 in 2000 and 2001, including, but not limited to, the policies, practices, procedures and methodologies utilized by Abbott to prepare the sales projections set forth in the documents attached hereto as Exhibit B.
- 4. The specific policies, practices, procedures and methodologies utilized by Abbott to project future sales and revenues for the Program Compound known as ABT-773 in 2000 and 2001, including, but not limited to, the policies, practices, procedures and methodologies utilized by Abbott to prepare the sales projections set forth in the documents attached hereto as Exhibit C.

Page 6 of 39

Date: March 26, 2007

JOHN HANCOCK LIFE INSURANCE COMPANY, JOHN HANCOCK VARIABLE LIFE INSURANCE COMPANY, and MANULIFE INSURANCE COMPANY (f/k/a INVESTORS PARTNER INSURANCE COMPANY)

By its attorneys,

Document 325-3

Brian A. Davis (BBO No. 546462) Joseph H. Zwicker (BBO No. 560219) Karen Collari Troake (BBO No. 566922) Richard C. Abati (BBO No. 651037)

Stacy Blasberg (BBO No. 657420) CHOATE, HALL & STEWART LLP

Two International Place Boston, Massachusetts 02110

Tele: (617) 248-5000 Fax: (617) 248-4000

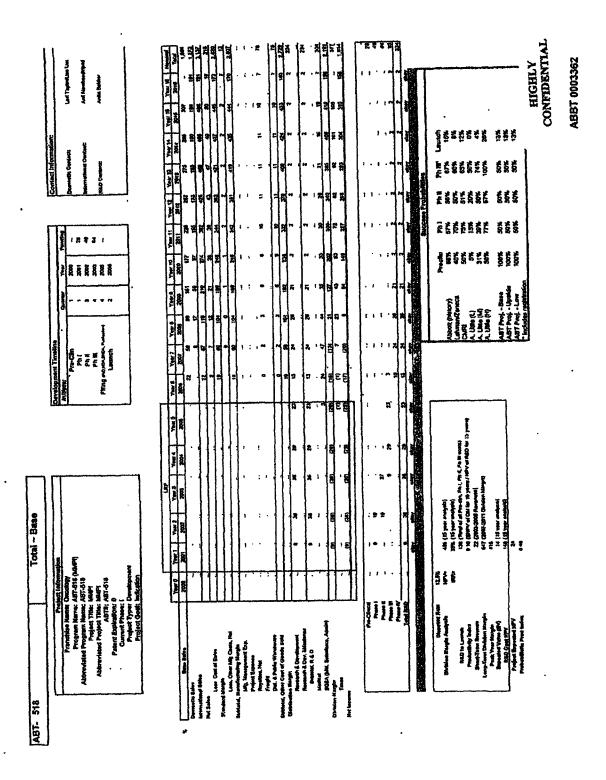
CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing document was served by electronic and overnight mail upon Peter E. Gelhaar, Esq., Donnelly, Conroy & Gelhaar, LLP, One Beacon Street, 33rd Floor, Boston, MA 02108, and Gregory D. Phillips, Esq., Munger, Tolles & Olson LLP, 355 South Grand Avenue, Los Angeles, CA 90071, on this 26th day of March, 2007.

Richard C. Abati

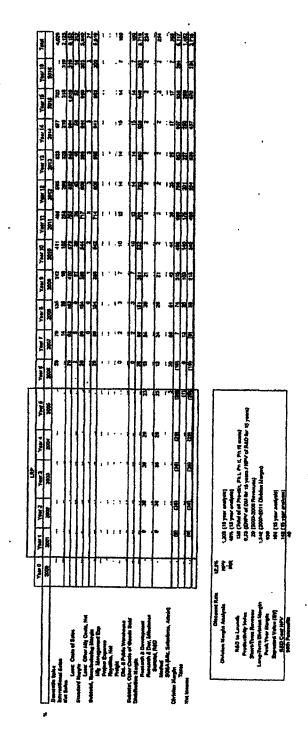
Case 1:05-cv-11150-DPW Document 325-3 Filed 02/23/2008 Page 8 of 39

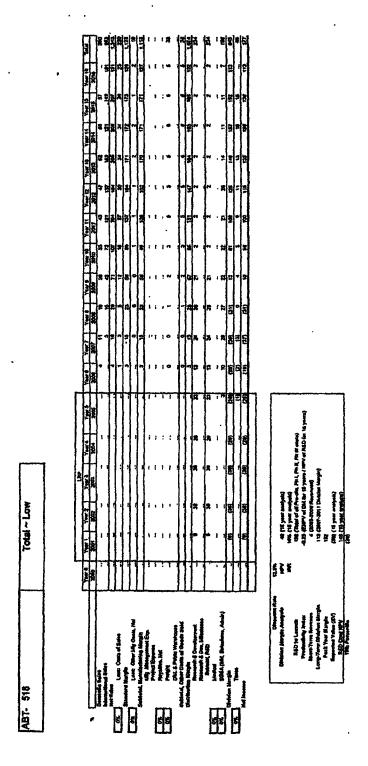
EXHIBIT A



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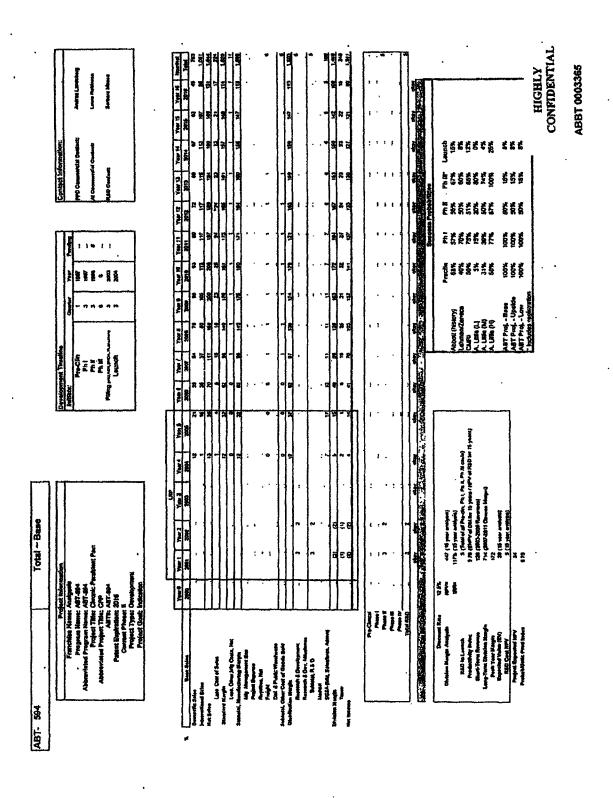




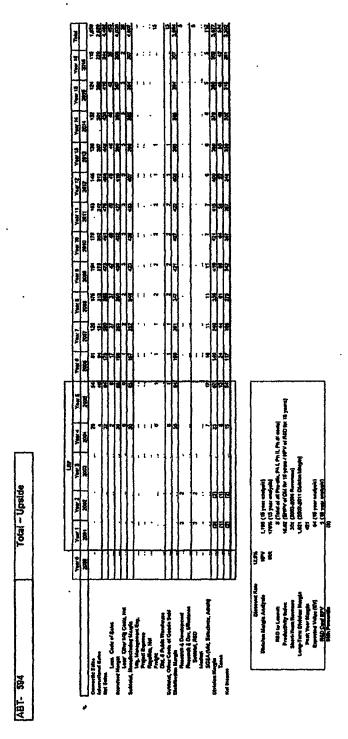


Case 1:05-cv-11150-DPW Document 325-3 Filed 02/23/2008 Page 12 of 39

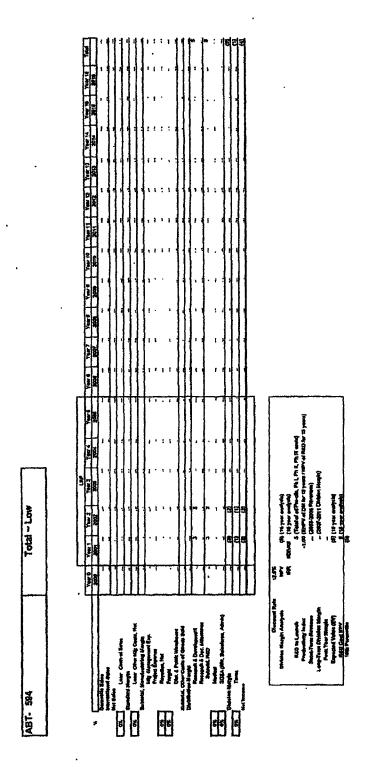
EXHIBIT B

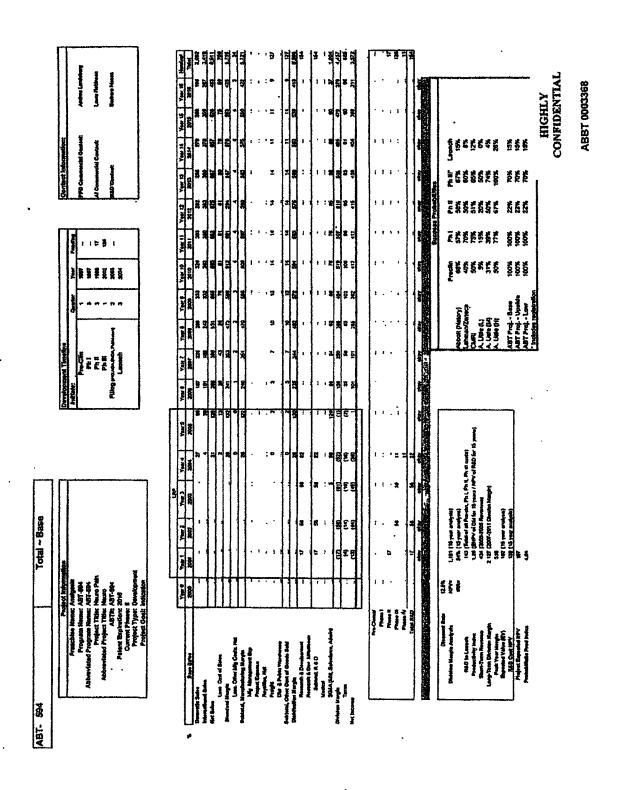


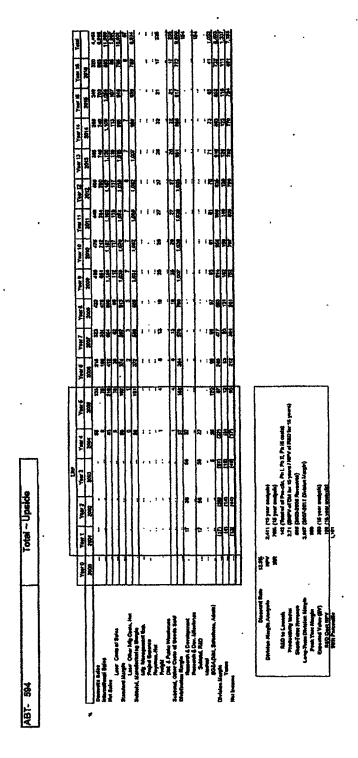
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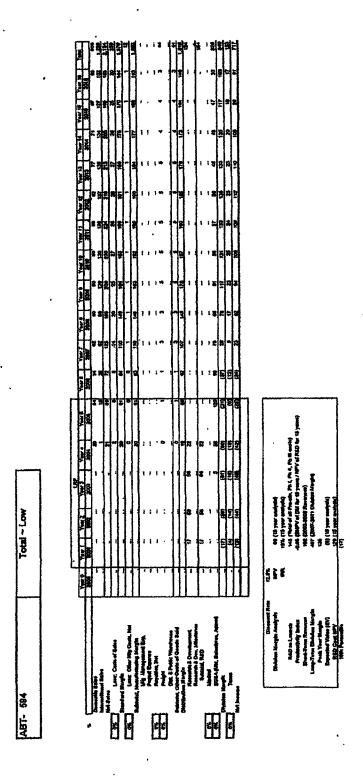


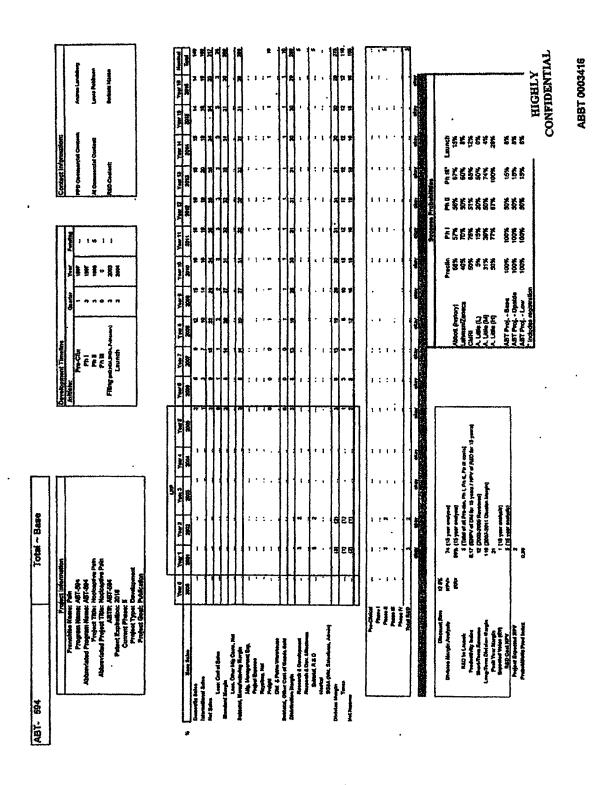


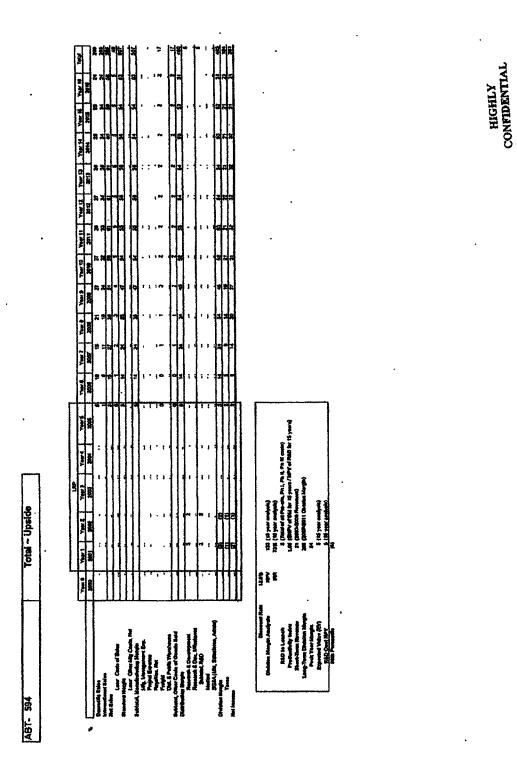




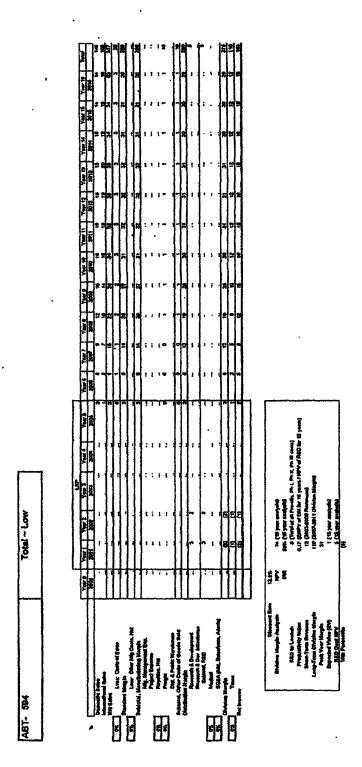






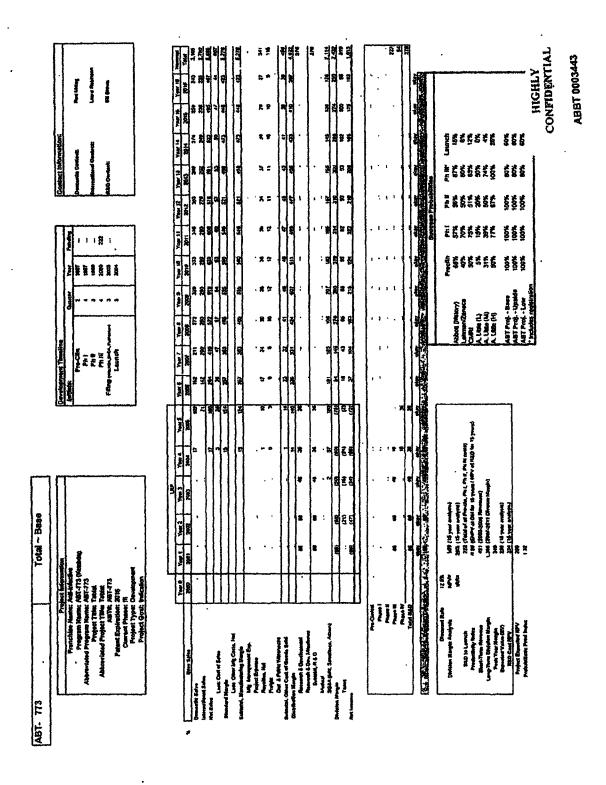


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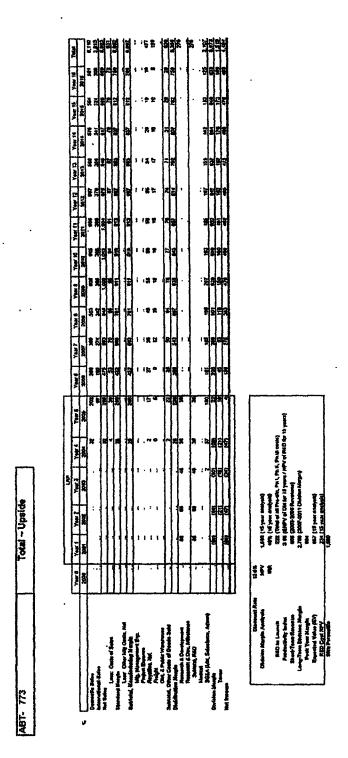
Case 1:05-cv-11150-DPW Document 325-3 Filed 02/23/2008 Page 22 of 39

EXHIBIT C

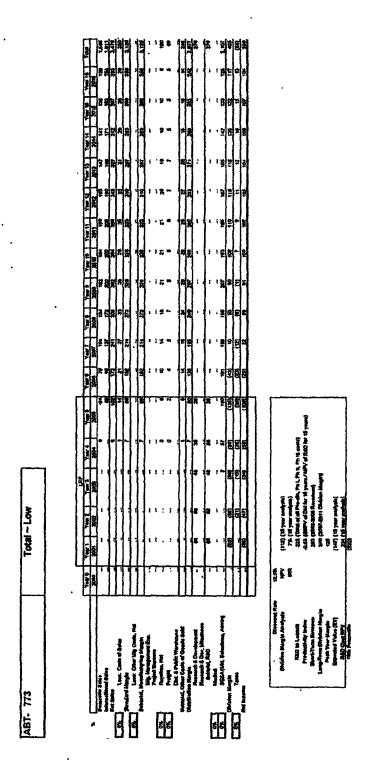


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ABBT 0003444



ABBT 0003445



Hendricks Deposition Exhibit 3

P's Exhibit I

<u>.</u> - 李 Peak Sares (MAN)
Peak Standard Margan (MAN)
Peak Standard Margan (TA)
Peak Standard Margan (TA)
Pra-Yes NPV @ 12.5% (Mosai) . Phanelal Surmay Cont Cont 184 End of Phase I (self 2022)

Veh ABT-518 and ABT-527 About can estabable to de a clear baser on organization with 3 bits angularates drugs that act by alternative mechanisms and than the potential by elements and than the potential by elements and produced and produ Ħ 36.0 Ħ ĝ in precuncal studies ABT-518 wholes turnor growth to a versely of marine turner models when 支 켳 Unit Value Oncelegy aus mexus THE COL TS ξ Talk play 14 % plane whilese that colectively largets NMP 2 and NMP-3, metallogical ansacs that have been implicated in the programmen of cancer Ĭ Depare maye advances in our understanding of the make the needs that understances these there is no understanding of the make the needs of the least remain the second second cause of the make the second cause of the second cause and the second cause of the second cause and the second cause of the second c There are appelled an unmet model in classes (E. 125), where cannow in the beding case of death in Lippin and the secured beding cases of death in Europe - Physicians are taking appelled that demonstrate Impared of Marcey - whom oceased obtains as sample appeals or in combinations with securing supremis 83.5, [\$1,444] 83.07 8276 89.6% 3 2000 ă ă . . [Mari] \$170 \$170 3 Unimet Reediffey Market Orivers Price ger Day of Lewich (AWP)

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Nerhal/Edlams/Other Commercial Profile Laurch Date ABT-548 Matrix Meta teprotein is e biliabitor estated alcon, or acts synogestically with criticanic agents. ABT-518 also blocks blood ressol bitmolion in a membe angeogenesis model ndersy namen. Indexteen Approvation was in second live regimes in elevancial patients in one mai C, orness, NML or colorically. In combination with cytotoxic theruples demonstrate dection (n year S). Approved as a escand ina therapy in a detined turner type, with aqual or manymatly better I then current gold standard overen, NPA, or coloractall, in combination with a platouse thermples domeratives altractally significant sent or serviced or time to tunor (or disease) propression compared to control gold standard in second line. al ABTG10 to systemic regimen door not add myndicunt ado officie; add officis are service to current pold stat dication (in your 3). Approved as a first less therapy on advanced potention the earns turner type on initial with equivated or mangenery bottor efficacy compared to current gold standard. 07 7809 56,000 BD Sted ternets such an breast, men ernet cell lung, menne end ciental cincers, nor bodeluie im i mauranca, ABT-618 will be camered with a menemal co-pay (c\$35), Madicaro will not strunteleral medication, 75% pulsari campbance Similar to concer, HTV, WB and transported drugo Competitors are candar to these in the US. Government agency analyses for cost affectiveness of the serrapy is important for numbursement in some countries. AmelPri (e.) 2016 (2023), journment), Texamer Trant, Texation and process professes, Chim-ginances such as General Members, Comprison of Species, SSU) sides, Placed and Paraginan Amborig thompses such as biocogún and Risance, Emerging siglateira agents such an species consec-tuables (e.g. breats, 2024)3), Plin, and offer comprignant inhibitor (p.g. sectionism suppositor) i Empeleon will may begranding upon the season's page 3) whose SAT (2) demonstrates access? US, EU, Japan Fales US, EU, Japan Apper The MMP-2 and -9 selectrity should allow for a larger therepeater wood ow ER-U.S.
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FOR ID., AS OF.

HIGHLY CONFIDENTIAL - FOR INTERNAL USE ONLY
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O#P. EX. NO....

HENCLUCKS DEP. EX. NO. FOR ID., AS OF Y/27/179

Calibrary Look		
Monday, Highlight Cart Project Company		
Study initiation visits were conducted on 2/14 and 2/15.		
		Target Date
• First patient envolled		3/12
Preliminary results from 6-week rat hepatoloxicity study		3/31
Pre-IND meeting with FDA		8 1
Preliminary results from 3-month rat chronic toxicity study		6/30
		Resolution Date:
Identification of FDA requirements for Cost Time Profile Profile Phase I IND study to Transition program to solicit FDA input. cytostatic agents in oncology drug development.	Clinical	6/1/01
Key tox finding was hepatotoxicity in Cost Time Profile Regulatory address these issues. A 6-week tox and metabolism studies in-vivo data indicate a potential for month rat toxicity study is propring.	Toxicology/ Metabolism	7/1/01

2 of 2 HIGHLY CONFIDENTIAL - FOR INTERNAL USE ONLY
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Document 325-3

February 2001		ABT-518		
				Paimed /Actuals
As several competitors are in Phase II/III, ABT-518 product profile	Cost Time Profile T. Regulatory	Ongoing analysis and comparison of competition throughout transition. ABT-518 has the potential to be the best in class	Competitive Environment	
will need to demonstrate advantage over the other compounds		compound. Plizer (Agouron) announced 8/4/00 that they were stopping Phase III triats of prinomastat in advanced constate and NSCI C herause "infrary efficacy phieribes		
		were not met". They are continuing trials in less advanced turnors, e.g., glioma and NSCLC, and will start trials in two additional turnor types. Efficacy was shown with marimastat in		
		less advanced gastric cancer, but British Biotech announced on 9/27/00 that marimastat in combination with carboplatin		
		was no better than carboplatin alone in advanced ovarian cancer. Marimastat development was discontinued on		
		2/15/01. Both the Pfizer compound and British Biotech's compound are hindered by dose-limiting joint toxicity.		
	☐ Cost ☐ Time ☐ Profile ☐ Regulatory			

3 of 3

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4 of 4

	February 2001
	ABT-518

Key Activities

	Validation Lot	NDA Lot #3	200 100 40		NDA Lot #1	Demo Lat	SPD	SPO	SPO	Chem Scien 15,0	Chem Scien (GMP) 2.0/3 8	Chem Scien (GLP) 3.0/1.7	Activity KG				Development of brand and generic names	Assist with advisory planning	Assessment or cancer manner growth for revision or forecasts)	(orecasts)	Assessment of off-label vs. spillover use (for revision of	Assessment of patient compliance (for revision of forecast)	types, both US and Ex-US	Markel research to assess commercial potential	Activity	0
										6/2001			Pis		Drug Substance		_		Š	Ĺ	esion of	N forecast)		of cancer		Commercial
											6/29/00	6/16/00	Actual				Late 2001	4/2001	4200	15001	3/2001	3/2001		42001	38)	
											\$133,300	\$133,300	Costling	Actual Projected	Pian Date: 3/2000										Actuel	
Carcinogenicity (2 yr) Mouse	Carcinogenicity (2 yr) Rat	1 Year Monkey	6 Month Rat	SEG III Rat (post natal development)	SEG Fand SEG II	3 Month Mouse MTD	3 Month Rat	1 Month Monkey (GLP)	t Month Rat (GLP)	1-Month Rat (non-GLP screening)	2-Week Monkey (non-GLP)	Gene loxicology	Taxicology Activity					LOWINGTON Less Listan	Completion of 1 Year Stability for NDA	NDA Lots (3) Completed	Phase III Clinical Supplies Manufactured	Formulation for Bio Study	Phase II Formulation	Phase I Formulation	Activity	
							1/2001	6/2000	6/2000	12/1999	12/1999	5/2000	Planned Start		Toblicatogy											Förmulation
							1/2/01	6/29/00	8/27/00	12/14/99	12/14/99		Data	Actual Start										10/2000	2	
													Completed	Report	Plan Date: 3/2000										Actual	Pian Date: 3/2000

	თ <u>ი</u> თ		780	- 1	Protocol Number		All Clinical Studies:	February 2001
			_)	Phase		al Stu	ary 2
			NO Study	AD Study in a			dies:	2001
				MD Study in cancer patients	Study Name			
				2/28	Dosed	Start		
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* * * * * * * * * * * * * * * * * * * *			8	ð	Target	Patients		
1 1 1 1 1 1					Current	rrite		ABT
			 		Number			ABT-518
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					Study Name			
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1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	HIGHLY CONFIDENTIAL				Terget	Pati		
,	ONFIDEN				Current	Patients		

Status:

Ongoing Clinical Studies (List first time in man, Phase II Dose-Ranging and Pivotal Trials)

Objective: Protocol: ABT-518 Doses: 25, 50, 100, 200, 400, 800, 1200, 1600, 2000 mg/day Determine MTD and safety profile in cancer patients M00-235 - Phese I MD in cancer patients

MXX-XXX - TITLE

Comparator Doses: ξ

Target Enrollment:

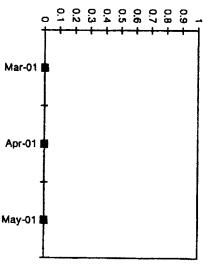
Study initiated, clinical supplies delivered

Major Findings:

Enrollment



Double click on chart to (Author:



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6 of 6

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ABBT 0000348

Hendricks Deposition Exhibit 4

P's Exhibit EI

ABT-594 is a neuronal nicol UNIX Value G TRX 10 SMM Bales 350MM TRX 23MM Sajes 140MM Coort DDC to NDA NEEL. Checks 80 0 CMC 80 0 CMC 80 0 Onter 80 0 Onter 80 0 Onter 80 0 Onter 80 0	52 22 8 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	Turnet Needling and neutropathic pain. Unrivet Needlikesy Market Ditvera Unrivet Needlikesy Needlikesy Ditvera Unrivet Needlikesy Needlikesy Ditvera Unrivet Needlikesy or needlikesy Needlikesy Needlikesy or needlikesy n	t ummat ness acceptable S of the manage ness Agents age needed 4 gents	Kracy in nociceptive and neuropathic pain Untriet NeedKsy Mar Wat need in NP as many patients do not it spassies NESS. No bearded produces The state of the st	spline and neuropethic pain Urgmeet Needdicksy Market Drivers	pathic pain	ret Driver									
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TRX 10 SAMM TRX 22MM TRX 22MM TRX 22MM Gode 14DMM Concess 80 0 Concess		S. Signatoran Meth here una here the preg populated preg populated preg populated to rethere usa special preg populated to rethere usa special preg populated preg populated preg populated preg populated preg populated pre	i urmat nas acceptable to pregabal nn and also nn and also nn and also need Agen ege needed ege needed	SES No br				,		-		¥	Key CompettorsPosition to Market	selden to Market		
Sales 350ver TRX 23MM Sales 14DMM Conf. DDC to NDA NERL. Checks 80 0 CMC DMs 56My 80 0 Onter 80 0 Other 80 0	1 1 24	pre population pre po	m and also m and also m and also med al	An will thely y has high un	many paties anded mark	Me do not 14	epond to cu. Is currently i	mently evails	Signaticant winnet need in NP as many patents do not respond to currently evelopie agents, many of hit have unacceptable SEs. No branded mainteed products currently indicated for NP (although)		surperthic propied with a	ain: Neurentm is to nase of use become ve mode it find line	dng strong bad in this 1 widespraad, although n NP, although treatm	Numpachic pain: Neurosan is taking stong load in this market as nicrassed MD avereness of efficiety coupled with sase of use bacomes widespread, alkhough is lacks an indication. Postere dist and appending the same and series and series of the same and series and s	MD awarener Postaw de le Pregabak	is of efficac to a med to a mediture
TRX Z3MM Sales 140MM Cost DDC to NDA X:Est. CMC CMC 80 0 DM2 Seley 80 0 Ohne 80 0 Ohne 80 0	1 2.4	age comet in richard of the second of the se	Proj.		by time of I nmet need fo	Bunch) Ch 71 nan-apiek	ome persist.	ent paur pop h high efficat	ulation is gra cy		escribing an OAs) with its	or not age one may this market for 504) after efficacy than N	COX 2s and opioide SAIDs, without the Al	epresentation for the sale and may particular increases the market, but definional oppose (nort) prescribing as the market for 594). COX 2s and opicide dominate the market, led definional oppose (nort) MDAs) with better efficacy then NSAIDs, without the AEs and addition potential of opistes are needed for harvour new.	but addition test of opesite	are neede
Stales 14Dmin		000 000 000 000 000 000 000 000 000 00	Pro 200	te with gree.	ter efficacy t	then currentl by indicated	y evaleble a for neuroped	igente with e thic pain (tid	Agents with gratter efficacy then currently evaluable agents with edequate toterability assets. Only one assets currently indicated for neuropathic pain (higgerand heuribles —		europethec p vise 160 MM r neuropeibi	an: Gabapanin (Ni for usage in all ind pain, and last und	unnting on market wit cationa). Carbamaze, nairable side effects	Naumpathus pain: Gibbapantin (Nouroutin), an martail with limited commarcial success ex-US (lotal 1999) sake 160 MM for usage in all indications). Cerbanazagune in gold standard Institutut, but as not moticated for managathic pain, and the successions. Or managathic pain, and beau reductable also elected. Populable currently in Phase in ASC-894 in ACC-894 in A	uccass ex-U natment, but Phase III. A	S (lotal 19 se not mét ST-684 senscriban
Court DIOC to NDA Rest. Checate 80 0 CMC 80 0 CM	20000].[8 30				•	,			pecies to a market fa	1 594): Opiates rest rists for non-sched	red for only the mest ted, non-addicine age	spipere to be set in the server of the complete. The mate for Set in the server of the day has meet server part (e.g., Center; post-op). Thus hage without for their for non-scheduled, non-seddenre agents for treatment of chronic pan	cer, past-ap). enic pain	Thus large
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	0115	l	000	0513	003	3 223 6	1557	\$12	\$115	0 03	<u> </u>	Phase III US, EU, Japan Approva		01 2002 9/03, 9/03 JS/04	-	
¥ .														904 904 505	<u> </u>	
	Se Case	Base Case Forecast (\$1	(SMIN)					:			, Buse	Base Case Assumptions	Merine Annual		$\ \ $	
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8					I.	Conwen.	MD, thration	BID, terston up to 7 days						Medium	ajr.u.	Medium
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Commercial 200																i
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9002 9082 1902	2007 2000	H 2818 2819	15 M	2012 2013		Commerc Leunch Dele	Commercial Profile Leunch Dele		Serios				50ml	ó		
Financial Summary		U.S. (SMM)	(M)	Int'l (SMM)		Once per Da	Price per Day at Leunch (AMP)			Comparable to NeuronfiniCOX	Neurombuic	DX0	06:08	Comparable to premium pain meds (COCC's)	mium psin m	D000) 888
		82 E		9 E		Sales force:	Sales force (9 peak sales (9MM) Promo (9 peak sales (9MM)		925 828				6 E			
Peak Standard Margint (%)	-	92.3%		w		100 SOC	COGS (@leunch, @ peak)		T 40,000/19 (B	840,000/kg (Base Equivalent)	2	dy of eathering	Same se US	HIGHLY CONFIDENTIAL	CONFID	NTIAL
Peet Tee NPV @ 12 5% (globel)	: 1		161,19 8178	56 89		Mark el/External/Cilher	nationer.		Proposen (o baller officacy	rispasan (or one ang isuarna wai mosasoi n bister eficary than gabapanta, but worse side-effects	ba, bot wars.	respondent (or once ongs sources was mouseous in res batter effects batter describes gabageste, but worse side-offects		1	ABBT 0000412	112
Next GéRio Go End of Phase II (June 01)																
BUST-594 coud halp to establish a strong anteretive rolas sector pain Fanchies for Abbott Lasdenship pression in newtonal nectiones could be gamented with first drug to market Neuropethic gain market is richa pain market with limited competition, until a	lish a stro	outhouse gn	relau sect	or pain franc	hee for Abb	of Leaders	hip peeklen	in newanal L	ncetince co.	uld be gamen	of with first	ing to market Neur	spethic pain market is	niche pein meeket with	limited com	Petition, w

ABT-594 February 2001

Monthly Highlights - Key Project Progress

- ABT-594 Project Review completed with Jeff Leiden and Senior Management of February 2.
- DSG analysis (Decision Support Group) was initiated for ABT-594 per feedback at February 2 Management Review meeting.

Next Quarter's Key Progress Markers	
	Target Date
Noy-Frequess meaner	03/23
A Breek hind on Mod-114 Painful Diabetic Neuropathy Phase II b study	04/30

	Key Pr	Key Project Issues and Risks		
	Potential or Known Impact		Area/	Resolution Date
Risk or Issue	Check all that apply and Describe Impact	occupation of the second of th	Time Manager	manual individual in
Team has recommended	Cost T Time Profile & Regulatory	PARD Analytical is completing analysis of lab-scale batch and	PARD Analytical	In-Process
implementation of the Mitsunobu		intermediates to assure there are no new impurities to be		
chemistry change in step 4 of the		found.		70 00
synthetic process to eliminate the risk		Plans are to manufacture a single production-scale lot in	SPD	10-05-40
of mesylate impurity, which is		early-2001 with available raw materials, and to wait on the		
potentially mutagenic.		second and third NDA lots until after the Go / No Go decision		
no may suggest	Cost Time Profe Regulatory	No adenomas have been found in the study. The in-life phase	Toxicology	102001
future possible occurrence of		of the 2-year carcinogenicity study is complete and preliminary		
hepatocellular neoplasms in long-term		data on tumor findings should be available 102001.		
toxicology studies.				

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Planned / Actual Resolution Date 04-06-01 留 180 Responsibility PARD Analytical Area/ Toxicology / Exploratory Kinetics SPD SPD is working to synthesize approx. 2 grams of the Due to significant chemistry challenges, the delivery PARD Analytical will be testing the F' material to confirm purified F' material mid-December for further testing. When testing is successfully completed, F' material will identity and match to impurity found in drug substance This issue has been reviewed with PARD, SPD, Toxicology impurity has been detected at a level of 0.2% in the drug Regulatory and Venture Management. To date, the F' substance. Tentative identification including molecular be tested for genotoxicity by Toxicology and for Strategy / Progress bioavailability by Exploratory Kinetics Key Project Issues and Risks structure has been made. has been delayed. **ABT-594** ತ . Cost Time Profile & Regulatory Check all that apply and Describe Impact Potential or Known Impact patients to F' and a lack of change in Planned studies include Ames assay made to the analytical method, which unknown impurity (designated as F') acute toxicity when this impurity was improved separation of some peaks. was detected in the lot of bulk drug Given the low exposure of M99-114 chemistry route, a modification was testing of this impurity is necessary. However, further toxicology and pk used in M99-114 clinical capsules. implementation of the Mitsunobu Using this method, an additional significant risk to these patients. in vitro micronucleus assay and present in the drug substance, presence of this impunity as a foxicology does not view the During investigative work on February 2001 bioavailability study

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Plan Date: 1999

Toxicology

ABT-594 February 2001

Key Activities

Commercial			
Activity	LBE	Actual	
Quantitative coryoint analysis regarding commercial viability	6/01		Phase I Formulate
of various efficacy/AE profiles and associated market share tractorities.			Clinical Supplies
naceouse On a literal an expensive secondary of secondary of	101		Phase II Formulat
Cuantaire interner research regionning arrayments so remograthic pain patients	3		Chrical Supplies (Osteoarthriffs, Su
NNR communication strategy	12/01		Phase Ib / Formu
ABT-594 publication plan	12/01		Phase III Clinical
Brand name registration submission (generic name approved	12/01		NDA Lots (3) Con
11/00 - ebaniciine losylate}			Completion of 1 Y
			and the state of t

	Formulation		Plan Date: 10/2000
Activity		Plan	Actual
Phase I Formulation (PIB)*	u	7/1997	7/1997
Clinical Supplies (PIB) for Molar Extraction	11	7/1998	7/1996
Phase II Formulation (SEC) for IND	ıı	7/1998	7/1996
Clinical Supplies (SEC) Shipped (Osteoerfurits, Surgery, Neuropathy)	D	10/1998	10/1998
Phase Ib / Formulation (HGC) for Bio Study	ਕ	3/1999	3/1999
Phase III Citnical Supplies Manufactured	Si .	1002/6	OBT
NDA Lots (3) Completed	3.	2/2002	OBT
Completion of 1 Year Stability for NDA	T.	7/2003	OBL
Formulation Peer Review		題	OBT

	ă	Drug Substance		Plan Date: 6/1999
Activity	Ŋ.	Pian	Actual	Actual / Projected Coet/lig*
D-45L	0.3 KG	3/1997	3/1997	\$ 200,000
CAPD	5.6 KG	3/1997	3/1997	\$ 175,000
SICOR	14 9 KG	2/1998	2/1988	\$ 40,000
SICOR/CAPD	2 5 KG	8/1998	86/1988	\$ 40,000
Chemsyn Pilot Lot	1 0 KG	5/1989	5/1999	\$ 29,700
Chemsyn Mig Lot	10 0 KG	10/1999	Not manufactured	\$ 29,700
Chemsyn NDA Lot #1 (Mesylate)	4 85 KG	10/1998	1002/2	\$ 29,700
Chemsyn NDA Lot #2 (Mesylate)	4 80 KG	10/1999	1002/2	\$ 29,700
Chemsyn NDA Lot #3 (Mesytate)	5 45 KG	10/1999	2/2001 **	\$ 29,700
Chemsyn Mitsunobu Lat#1	5.0 KG	1002790		
Chemsyn Mitsunobu Lot#2	5.0 KG			
Chemsyn Mitsunobu Late3	5.0 KG			

	i carcology		71811 DEED: 1380
Toxicology Activity	Planned Start	Actual Start Date	Report Completed
Gene Toxicology	2/1997	9/1986	8/1997
Acute Studies	3/1997	4/1997	1861/8
1 Month Rat/Monkey	2/1997	2/1997	11/1997
3 Month Rat/Monkey	7/1997	6/1997	871998
3 Month Mouse MTD	10/1897	6/1987	10/1998
SEG I and SEG II	10/1997	7/1997	7/1998
SEG III Rat (post natal development)	1	1/1989	Ongoing
6 Month Rat	1/1998	3/1998	7/1899
í Year Monkey	6/1998	6/1996	3/2000
Carcinogenicsly (2 yr.) Rat	12/1888	9/1988	Ongoing
Carcinogenicity (2 yr.) Mouse	12/1998	11/1998	Ongoing

Target cost of drug substance at launch is \$20,000kg (Tosylate Satt)
 Bulk manufactured 1/2000, but delivery delayed due to Mesyfalle testing & QA release

		Current		HIGHLY CONFIDENTIAL ABBT 0000416
		Patients Target Cu		HLY CONFIDENTIA
		CRF in		HGF
		Start 14 Pt. Dosed		
		Study Name		
		3		
594		Protocol		
ABT- 594		ata di di	F. a. 6. 8. 8. 8. 8. 8. 8. 8. 8. 8. 8. 8. 8. 8.	
		Patients Tarred Current	250	
		End Find	0401	
		S T S	9976	
February 2001	udies:	Party Massa	Salety & Eficacy vs placebo in Pairful Disbetic Neuropality	
uary	iical St			
Febr	All Clinical Studies:	Protocol	M99-114	5 of 6

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February 2001

ABT-594

Ongoing Clinical Studies (List first time in man, Phase II Dose-Ranging and Pivotal Trials)

M99-114 - A Randomizad, Double-Blind, Placebo-Controlled Comparison of the Safety and Efficacy of ABT-594 to Placebo in Subjects with Painful

Disbetic Polyneuropathy

The objective of this study is to compare the safety and analgesic efficacy of

Objective:

Protocol:

150 µg, 225 µg, and 300 µg twice daily (BID) of ABT-594 to placebo in subjects who have painful distal symmetric diabetic polyneuropathy.

150 µg, 225 µg, and 300 µg twice daily (BID)

ABT-594 Doses:

Placebo Comparator Doses:

320 Target Enrollment: Enrollment Complete - 269 patients randomized

Major Findings:

Status:

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D477Z:WPSRsWBT-594.doc

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Hendricks Deposition Exhibit 5

P's Exhibit IL

And	. deFranchise:	Dev. Status	Interest Section	Inder Development	7 2017	Bronchitte, p	harrania done ila	missessing in the second of th	NUTRICKIE BETWEETE		
¥							TOTAL STREET,				
	THE LAND	Phade at	Animiective There is an accident activity against respiratory palhogens, including perucitivimacrolide resistant S praumo	pathogens, include	ng pencillin/macrolide re	sistant S preum					
Description ABT-773 v	s a potent anties di be doesd OO di compete with	for 5 days to macrotides :	ABT73 is a posed annowner, man as assument a summy summy summy programmy for the summy sum	CAP and smustles visit seestlent organi	wit be sother 150 mg QO sms (resustance claim bi	or 150 mg 810 to ang pursued) and	10 days improved mechani	m and against quirtolone	s on the basis of appropriate	uta, officacy, and salety	
				No. of Particular	Total Carlotter		-	X	Key Competitoral Position to Market	on to Market	
Š	Value	2	5				$\overline{}$				
U.S. Market	NA ZZ	*10	Unmat need in community RTI is relatively low organisms along with low properiety to develop that can refer relatively hash lends of efficients that here is no effect that	atively low. Key m. 10 devatop resists:	undy RT) is relatedly (ow. Key market droots are resistance (abildy to treat resistant bow propiently to bender our est states). I distributely, and commensors. A single again the market of afficer/iristiance coverage, looksability staffy, and commensors.	co (ability to treat memence: A emy fety, and comere		impetitors are other macri prite and cephalosporms (Key competent are other merceldes (Zithemus), quendones (Livequn Tequin, Avelou, Factive), Augmentin and ceptualsapones (morrerow). Avelous feed as NGA for their kenable Aren (teithram) cm) Augmentin and ceptualsapones (morrerow). Avelous feed as NGA for the kenable Analysis.	se (Liwequin Tequin, Avelo NQA for their ketolide het nam enhandled for Anal-M	ax, Factive). ek (telahrarinyom) av
1078	45,700 MM	6.9%	wauf be srpetted to gan market 2006 (Brasm, Zaromas, Lanquin,	cceptance. A num Cipro), which may o	gan mariet acceptance. A number of key antibotics fore pake is , Levequin, Cipro), which may negatively empact follow prices	e patent exclusivinces		Hememodisad pessenba			
Market	+		s for agents seociated w security seconds benefit vs	it pen and matrolid one class. Pharmi isteme, leading to uples, stnct price/ri	active agenst per and macrolide resistant pathogens, without the selety concerns of the quantidens class. Physimeococonners reseas are of excreasing concern to authorize a yearnet, leading to higher hundes for regulatory approval regeleting estimate, sence price/resembursament contrels, and guels for shorter course.	nthook the safety of ancreasing com my approval reger nd push for short		entn and caphabasporns : secend. Nav queodones mnemby en more severa in s. Avenitie ketolide (Keleik	Augmentin and caphelespenne dominate mest Al markets; quinclones dominate in Japan, with Cephts e- close second. New quesciones (tero, mair gall) monatry lamphad ats-Japan, bowerer, current use in padominismity in more severe infections (e.g. CAP) due to aufery concerne and premum prong er other agents. Aventale lestolide (Actest) expected to leurch C2 2001 with interest telerability profile is AST-77.3.	quinclones donwrate in Jai inched sx-Japan, however, efery concerns and premit It with intenor referebility is	pan, with caphs a current use re am pricing vs. othe profile vs. ABT-773.
Selles.	*		of tharapy					A SERVICE SERV	Manager Charles	ant Timeline	
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		877.3	283	8918 008	\$145 \$00 \$00 516 \$00 \$00	8 8	0 7115 0 00E	S119 Phase i	78-ta0		Dec-97
Development (to Orig Salery	≨	. E	059 050 805		0,03	١	- 1		86.360 86.360		Nov-O
NDA excludes TOTAL depart)	0 0023	\$1533	D 8808 6		\$613 \$00 \$GD	\$ 8		133.2 Phase III Lee Pitasi Yus US, EU, Japen Piling US, EU, Lagan Approve	Junda Junda Decationecatingo	Aug-CZ/Aug-CZ/TBD Aug-CZ/Aug-C3/TBD	
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		9110	Bese Case Parecast	Pro	Product Profile (Efficacy, Safety, Convenience)	v. Safety, Co	nventence)			,	Share impact
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87			:	Efficacy		m, but savetro de	is or available			Medium	ž,
8				<u>.</u>	Safety/AE Adverse avents comparedes to Desire A	Nautes: 5% D	Discribes: 6-10%			:	1
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(excludes Japan)				.1							
\$	ů.										
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Finan	Financial Summary	,	U.S. (SMA) Int'	Int'l (\$MM)	Launch Data		ł		May 2084	Ensembers to current clan 250 mg BiO percing	n 250 mg BiO pm
Pest Si	Peak Seles (SMM)				Price per Day at Launch (AWP) Sales force & peak sales (\$MM)	e. ∰ 85 € 85 €	Comparable to Z-Pak	¥.	1 8		•
is trade	Peak Standard Manger (SMM)	SMM :	9621	\$252 See	Prema @ peak sales (\$MM)				123	**********	
Tapecies Value	Peak Standard Maigin (%) Expected Value	ī	\$426		COGS (@launch, @ peak) Market/External/Other	\$3000Ag. Katek bu overze ma	\$1500Ag nchas in 2001, add that TRX flat	\$2000Ag, \$1500Ag Kelek bunchas in 2001, addisonal quinolone entrari, overalli market TRX fat	Sature Qunelone Ketek en	\$300kg, \$130kng Qunatones used parazdy in more severe RI segmen. Ketek an mariet with artenor AE profile vs. ART-773	evera RT segmen file vs ART-773
Mant Goffie Go Recept	of ghase IK data	2001 dose	selection for CAP & serusifis						ships the second technical	clans in actacky agends	esistand urgalistin
Ţ	3 repruéents a n	ey product fo	AGI 773 represents a very product for the global entertraction team, in section from the patient expension of clarithnomy. In XO4-XO5. The product has a competiting proposition of mine or in the Annal I section Addition	ren the patent exp	mation of clarithromy. In	X04-X005 The p	auduci has a comp	initing selleng proposition o	y with the same and the		
Rationale and pur	Surrey town stown					7	Ya or	S			HIGHLY CONFIDENTIAL
					15017C	4		3		18¥	ABBT 0000387
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February 2001 ABT-773

Monthly Highlights - Key Project Progress

- All Phase III U.S. studies are actively enrolling patients. Drug releases have started for the European studies with 9 sites ready to enroll in CAP, 3 sites in ABS, 21 sites in ABECB and 11 sites in ASP. No patients have been enrolled in Europe since the initial drug shipments have been made (within the last 2 weeks). We are expecting enrollment in all four studies at any time. All sites are being very carefully managed to get them actively enrolling patients as soon as possible.
- Further Phase III start up activities are ongoing in Central America, So Africa and So America for CAP and ABS for their winter seasons starting in May. As we proceed with the enrollment in the Northern Hemisphere during March and April, we will make a firm decision on initiating these sites for enrollment to be as cost effective as possible.
- The initial Phase I study for the IV formulation will go ahead and is planned to start in early May. This study will enable us to evaluate the appropriate IV dose and evaluate injection site pain with the formulation prior to a Multiple Dose study. Timing for Phase I GoNo Go by September is critical if we would like to have an IV filing within a year of the tablet filing.
 - The CMC and Biopharm End of Phase II package was submitted to FDA on March 1st to request a meeting in April. Meeting preparations are in progress.
- A CMC planning meeting with Taisho and Dainabot is scheduled for March 7 and 8th to discuss the timing and requirements for the Japanese Phase IVIII clinical supplies and Japanese NDA filing requirements to include these activities in the Abbott Park and U.K. CMC plans.
- A team review was held to discuss all data gathered on the pediatric formulation prototypes. The final taste testing comparing 773 to clari and azi suspensions indicated that the 773 prototype had a better taste than the clari suspension. A follow up meeting will be held with the franchise to discuss further interest in pursuing a pedistric formulation

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	Target Date
of Phase II meeting with FDA.	04/30
Determine if Southern Hemisphere sites for CAP and ABS should be initiated as a contingency if US/European enrollment fails to meet 500 patient target.	04/30
Complete enrollment in CAP and ABS Dose selection studies to meet Dose Decision milestone in July, assuming US/Europe can meet 500 patient target.	10/90
Complete annuliment in ASP and ABECR comparator studies in the U.S.	06/01
Complete intermediate scale-up activities in the U.K. site for initial bioequivalence study between Abbott Park and U.K. mfg sites.	05/31
Initials first Dhose I study of IV formulation.	05/01
Besuits available for Japan Phase Dose Ranging study to determine Japan dose for Phase Will studies and potential Bridging strategy.	04/15
Hold Abbouff siste meeting to discuss, Japan Phase I results and propose Phase Will clinical plans to discuss with KIKO.	02/08

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Planned / Actual

Responsibility SPD/PARD

Area /

Cate

7/2001

Venture

Resolution

7/2001

Venture/NPD/DSG

initiate the Southern Hemisphere sites will be made in April as

contingency sites in the Southern Hemisphere. A decision to

challenges as much as possible by closely managing clinical

Current estimates are that 7/2001

requested by FDA c) light 2000-01

flu/respiratory season

decision will be met.

sites in the U.S. and Europe, as well as planning for

studies are not on the critical path. Current estimates are that

enrollment targets for CAP and sinusitis. ASP and ABECB

a contingency should the US and Europe fail to meet

ongoing by Discovery, with an advisory planned with external

experts Aug 2001 to define further study.

data on potent ribosome binding properties of ABT-773 are decision; internal efforts to defend 150 mg QD dosing with

receive regulatory challenge for approval

Current At opinion is that QD may

Cost 🗸 Time 🗸 Profile 🗸 Regulatory

150 mg QD vs BID dose decision in

CAP/sinusitis

given PK profile of 150 mg QD; however,

commercial impact ex-US, represents

BID dosing, while relatively minor

significant commercial hurdle in US.

in CAP unless data is very compelling

sinusitis data (7/2001); DSG analysis is planned to facilitate

Decision must be made in light of QD vs BID CAP and

7/2001 decision will be met.

Additional sites added in Europe and southern hemisphere to requested changes and implemented in the U.S. and Europe develop appropriate physical specifications for the bulk drug A strategy for the bulk drug lots that will be used in the NDA make up for delays. The team is working to overcome the formulation runs will be reviewed with the CMC Technical Committee in early December. Bulk drug properties and granulation variables are being evaluated as a means to amendments have been signed off incorporating all FDA Meeting with FDA was held on November 27th. Protocol Strategy / Progress Key Project Issues and Risks **ABT-773** decision for these indications needed by Cost True Profile Regulatory Cost Time Profile F Regulatory timeline are CAP & sinusitis, with dose Check all that apply and Describe Impact Delay in the Aug 2002 filing date. If at the 1200L scale, a delay of up to 18 Potential or Known Impact 7/2001 to maintain current timeline. Critical path trials to development months. chemical properties during formulation Clinical enrollment challenges due to request of FDA b) delay in start of a) delay in end of phase if meeting A change in bulk drug physical or from September to November at study due to protocol changes Risk or Issue February 2001 development

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30/13

ABT-773	
February 2001	

	Key Pr	Key Project Issues and Risks		
	Dotantial or Known Impact		Area /	Resolution Date
Bick or laste	Check all that apply and Describe Impact	Strategy / Progress	Responsibility	Planned / Actual
Regulatory uncertainties over how to deal with the ketolide/macrolide class regarding OT interval effects.	Cost T time W Profile W Regulatory Additional studies could be required to show no effects on QT. Class labeling could negatively impact sales of the product.	OT effects are the current hot topic for the FDA, and were reflected in the changes they requested to the Phase III program. FDA concarn is whether ketolides behave like marcolides and whether there may be a class effect. FDA requested an acute tox study in dog to further evaluate cardiac effects and also discussed whether a Phase I study should be conducted in subjects with underlying cardiac disease. ECG monitoring will be done in all Phase III studies with the exception of the ASP study in Europe.	Regulatory	6/2002/
Definition of starting materials for the bulk drug (at what step in the manufacturing process) will affect our ability to continue with process improvements necessary to continue to reduce the cost of the bulk drug. This has cost implications up to 3 years post-launch.	► Cost ☐ Time ☐ Profile ☐ Regulatory Ability to define step 5 as the starting material will allow us to make further process improvements to reduce the cost of the bulk drug.	The End of Phase II CMC meeting with FDA will be requested for January 2001 to present the package on starting material definition for step 5 intermediate. Meeting is targeted for the end of March. The end of Phase II package outlining our plans for starting materials was submitted to FDA on March 1.	OPS	04/2001
The pharmacokinetic profile of QD dose could receive regulatory challenge or be viewed as sub-optimal commercially, particularly with respect to H. influenzae.	Cost I Time I Profile I Regulatory Support by PK/PD experts is important for positioning this product in the marketplace. Competitors may challenge ABT 773 efficacy without expert support for the efficacy model.	Phase Ilb studies indicated efficacy with 150 mg daily dose in ABECB and ABS. PK/PD data together with ribosome kinetics support the decision to proceed with 150mg QD in mild infections (ABECB and ASP) and select between 150mg BID and 150mg QD in CAP and ABS. Recent PK/PD data support AUC of 1-6 for clinical exposure in CAP necessary for cure. Dose decision for CAP & sinusitis expected 7/2001. To address this issue and potentially create a new model for evaluating PK/PD, internal efforts to characterize ribosome binding properties are ongoing by Discovery, with an advisory planned with external experts Aug 2001 to define further study.	Venture/NPD	07/2001

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February 2001		ABT-773		
	Key Pr	Key Project Issues and Risks		
Rick or feets	Potential or Known Impact	Strategy / Progress	Area / Responsibility	Resolution Date Planned / Actual
Obtain sufficient quantity of clinical isolates with resistant organisms to request a separate claim for activity against resistant S. pneumoniae.	Cost Time P Profile Regulatory Without a sufficient number of isolates, we will not obtain a claim based on clinical results for activity against resistant pathogens. Will need to rely on in vitro data only to support this claim.	FDA feedback regarding a resistance claim for PRSP is that a sufficient "body of evidence" needs to be gathered to convince them to grant a claim. They estimate >10 resistance isolates will be required, CAP and ABECB isolate requirements need further clarification, but ABS isolates are evaluated separately. They are not convinced about the clinical significance of MRSP and need further evidence. They suggest that an IV formulation to obtain bacteremic patients and more severe CAP infections will enhance the probability of obtaining the claim. The Phase I study to evaluate the IV formulation prototype will initiate in May 2001.	Venture	06/2002
Due to the dose change in the base development program, Phase I will be repeated in Japan to further evaluate dose-ranging. An increase in liver enzymes was observed in the low and medium dose groups of Japanese volunteers in the first study in Hawaii, and will be further evaluated in the Phase I studies done in Japan. A Japanese dose and formulation, as well as the Phase I (IIII studies, will be defined once the dose-ranging has been completed. This plan will determine the filing date for Japan.	☑ Cost ☑ Irme ☐ Profile ☑ Regulatory	The Japan Phase I Dose-Ranging study was completed in February and drug analysis is ongoing. No increases were seen in ALTAST, with all values within the normal range. Based on these results, ABT-773 is clear in terms of hepatotoxicity profile and the liver enzyme abnormality observed in Hawaiian Ph I with Japanese population was seen as a result of the high fat diet during the study period. The Japanese BAL study will start in April. Dose selection and BAL results need to be available prior to a meeting with Kiko to discuss the Phase Itill strategy. The current decision is to proceed to the KIKO meeting once Phase I results are available and a dose selection decision has been made for CAP and ABS based on the US/European studies. Preliminary BAL results may be available in August.	apan	08/2001/

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12/1997

12/1997 7/1999 7/2000

8/1989

7/1999

8/1999

01/2001

9/2001

0002/6

4/2000 9/2000 7/2000

Phase III Clinical Supplies Manufactured

Phase (II Formulation (Tablet)

Cirrical Supplies Phase IIB

Phase II Formulation (Tablet) Phase I Formulation (Caps)*

Completion of 1 Year Stability for NDA

Formulation Peer Review

NDA Lats (3) Completed

Plan Date: 12/98

Formulation

Plan Date: 12/98

Toxicology

9/1998 12/1997 4/1998

6/1997 8/1997

Actual Start Date

Plan Start 770ate77 7/1997 8/1997

Toxicology Activity

2-week oral RaVMonkey

Acute Studies

12/2000 8/1999

10/8/1999 10/8/1999

3 Month oral Rat/Monkey

Seg VIII Rat

Gurnea pig sensitization

SEG II Rav/Rabbit

Pregnant Rat/Rabbit RF

1 Month Rat/Monkey

IV Irritiation studies, set 1 IV Imitation studies, set 2

3/2000

2/2000 6/2000

9/1999 7/1999 2/2000

IV 2-week Ral/Monkey Studies

Neonatal/Juvenile Rat

12/1996 11/1998 5/1999 2/1999 8/2000

11/1997 12/1997 1/1998 3/1998

11/1997 12/1997 1/1998

Mouse Lymphoma/Micronucleus

3/1998 11/1998 9/1998

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Key Activities

ABT-773

	Actual								
	186	1001	200	5002	2007	2001	,	9	\$
Commercial	Activity	Completion of study tracking intranet	integration of entranel into communication plan	integration of intranet into draft product label	identification of communication vendor	Submission of brand/USAN names	Preimmary qualitative positioning research	Quantitative market research to support revised forecast	Preimmary qualitative positioning research

	Orug Si	Orug Substance	Plan Date:	ate:
Activity	, 9	Pier	Actual	Actual Projected Cost/kg
the Following page for a mary of Bulk Drug verses in SPD.				

KG Plan	
Activity	See the Following page for a summary of Bulk Drug deliverse in SPD.

* Target cost of drug substance at launch is \$2,500kg (Friished Product)

ABT-773

February 2001

		SPD	SPD ABT-773 Bulk Drug Deliveries Update	Deliveries Upda	9	
	Target Date	Amount	Delivery Date	Amount	Lot#	Amount after milling
Campaion 1	2/28/99	200 Kg	2/23/99	209 Kg	50-007-CA-00	207.5 Kg (2/26)*
Campaign 2a	6/12/99	140 Kg	6/17/99	131 Kg	54-702-NI-00	129.4 Kg (6/19)*
Campaign 2b	7/15/99	140 Kg	7/21/99	121.5 Kg	55-208-CB-00	119.3 Kg (8/4)*
Tox lot	8/30/89	5 Kg	8/25/99	6.1 Kg	55-718-NI-00	
Campaign 3a	66/06/6	160 Kg	10/8/99	170.5 Kg	58493CB00	138.4 Kg (10/16)*
Campaign 3b	10/21/99	160 Kg	10/11/99	176.5 Kg	58494CB00	169.5 Kg (10/16)*
		- 71 - 42	SOLOGIO,	20.04	COTECNISION	
Pilot run 1		DN CI	10/30/83	10.9 Ng	2370214100	fill fillening
Pilot run 2	******	15 Kg	2/2/00	15.5 Kg	61790NI00	no milling
Pilot run 3		25 Kg	1/30/00	27.5 Kg	62764CB00	27.3 Kg (4/18)*
				, , ,		1000
Campaign 4	12/10/99	320 Kg	11/23/99	355 Kg	61741CB00	309 Kg (3/2)-
Campaign 5	12/30/99	300 kg	12/16/99	300.5 Kg	60665CB00	269.2 Kg (3/3)*
Campaign 6	2/28/00	280 Kg	2/23/00	321 Kg	62796CB00	315.5 Kg (3/6)*
Campaign 6 (IV)	2/28/00	15 Kg	2/22/00	20 Kg	62797CB00	18 Kg (3/15)*
Campaign 7	3/30/00	300 Kg	4/10/00	370 Kg	63890CB00	361.2 Kg (4/18)*
Campaign 7 (IV)	3/30/00	5 Kg	3/29/00	19 Kg	63889CB00	17.2 Kg (4/11)*
Campaign 8	4/25/00	200 Kg	5/11/00	263 Kg	64970CB00	256.5 Kg (5/15)
Campaign 8 (IV)	4/25/00	15 Kg	4/25/00	19.8 Kg	64971CB00	17.7 Kg (5/11)*
Campaign 9	6/15/00	300 Kg	6/14/00	375.7 Kg	65064CB00	355.7 Kg (6/20/00)
Campaign 9 (IV)	6/15/00	15 Kg	00/5/9	18.1 Kg	65065CB00	16.7 Kg (6/9/00)*
Campaign 10	7/15/00	300 Kg	7/26/00	361.2 Kg	67176CB00	359.0 Kg (8/10/00)
Campaign 11	8/15/00	300 Kg	8/4/00	333.7 Kg	68285CB00	271.9 Kg (9/7/00)
Campaign 12	10/6/00	300 Kg	9/27/00	356 Kg	69458CB00	292.3 Kg (12/8/00)
Campaign 13	11/23/00	300 Kg	11/15/00	351.2 Kg	71665CB00	349.1 Kg (12/20/00
			Total (year 2000)	, 2000)	2,815.5 Kg	
Campaign 14	1/28/01	300 Kg	1/26/01	327.5 Kg	73886CB00	318.9 Kg(02/13/01)
Campaign 15	2/10/01	330 Kg	1/14/01	354.9 Kg	71699CB00	353.8 Kg(02/02/01)

ABT-773

Weight after rework

February 2001

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ABT-773 February 2001

All Clinical Studies:

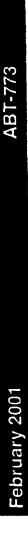
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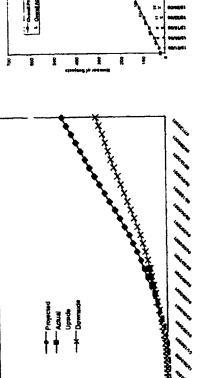
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Ongoing Clinical Studies (List lirst time in man, Phase II Dose-Ranging and Pivotal Trials)

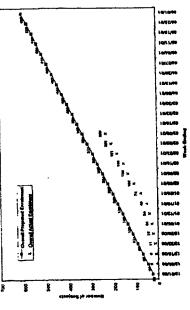
Protocot: Objective: Dose selection. ABT-773 Doses: Comparator Doses: Target Enrollment: Comparator Doses: Dose selection. 150mg QD vs 150mg BID, 10 days Comparator Doses: None Target Enrollment:
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(Double click on chart to edit)

Author

Major Findings:



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M00-225 - Sinusitis Dose-Ranging

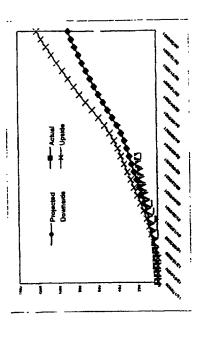
February 2001

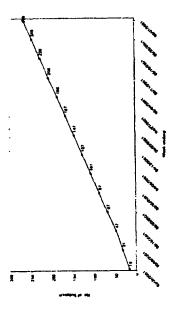
ABT-773

Ongoing Clinical Studies (List first time in man, Phase II Dose-Ranging and Pivotal Trials)

Protocol:	MOD-217 - Phase (if ABECB vs Levofloxacin	THE - CTION
Objective:	Safety & Efficacy	Dose Selection
ABT-773 Doses:	150 mg QD	150mg QD vs 150mg BID, 10 days
Comparator Doses:	Levolloxacin 500mg QD for 7 days	None
Ternet Encollment	2009	009
Status:	Enrollment not yet started.	Currently enrolling

Major Findings:





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Author:

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February 2001

ABT-773

Ongoing Clinical Studies (List first time in man, Phase II Dose-Ranging and Pivotal Trials)

M00-223 - Phase III Pharyngitis vs Pericillin 500mg TID Protocol:

150mg QD., 5days Safety & Efficacy ABT-773 Doses: Objective:

Penicilin 500 mg TID, 10 days Comparator Doses:

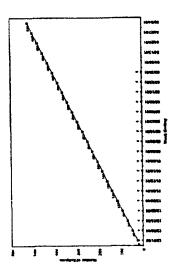
Currently enrolling 520 Target Enrollment: Status:

Major Findings:

M00-222 - Phase III Pharyngitis vs Penicillin 500mg TID 150mg QD, 5 days Safety & Efficacy

Penic端in 500mg TID, 10 days

Sites initiated, enrollment not yet started



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Hendricks Deposition Exhibit 6

P's Exhibit PG

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10: SICE TRAINING	
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PACKAGE WITH THE 3 ADD'L	
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IN ADDITION I'VE INCLUDED SOME	
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ABBOTT - JOHN HANCOCK FUNDING COLLABORATION

- WHY EXTERNAL FUNDING
- WHY JOHN HANCOCK MODEL
- JOHN HANCOCK BACKGROUND
- BASIC COLLABORATION STRUCTURE
- COLLABORATION DESCRIPTION/TERMS SUMMARY
- NEGOTIATION/COMPLETION STATUS
- PERMISSION TO PROCEED TO DEFINITIVE AGREEMENT

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MORE VIABLE DEVELOPMENT

WHY THIS VEHICLE (JOHN HANCOCK)

ABBOTT MAINTAINS DEVELOPMENT CONTROL

JOHN HANCOCK SHARES IN THE RISK

ABBOTT MAINTAINS COMMERCIAL RIGHTS

JOHN HANCOCK SHARES IN THE REWARD

• MOST FLEXIBLE/STRAIGHT FORWARD COLLABORATION STRUCTURE

LEAST EXPENSIVE EXTERNAL MONEY

abbt **909**6751 Highly Confidential

JOHN HANCOCK LIFE INSURANCE COMPANY

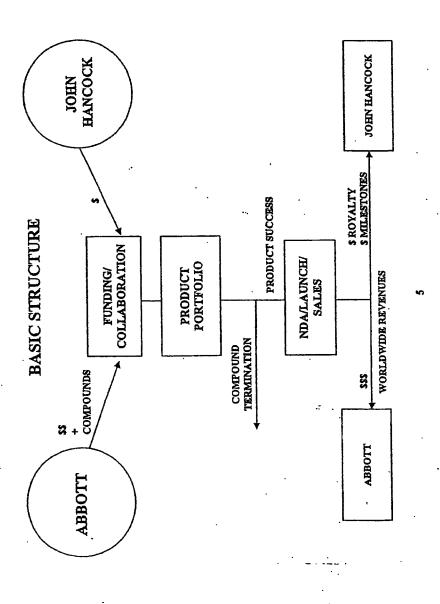
ABBOTT HAS DEVELOPED RELATIONSHIP WITH JOHN HANCOCK OVER PAST 4 YEARS

- METABOLEX (EQUITY UNITS/PUTS)
- IDUN (PRIVATE EQUITY)
- PURDUE FREDERICK (SENIOR DEBT)

JOHN HANCOCK IS SEEKING ABOVE AVERAGE RETURNS ON 2-4% OF THEIR INVESTMENT PORTFOLIO

- \$35B TOTAL INVESTED CAPITAL (PRIMARILY IN HIGH GRADE DEBT)
- \$1,8B IN HEALTH CARE INVESTMENTS OVER PAST 9 YEARS MANY JOHN HANCOCK INVESTMENTS ARE NOT PUBLICLY DISCLOSED
 - DOES NOT NEED/PREFERS MINIMAL DISCLOSURE OF INVESTMENTS

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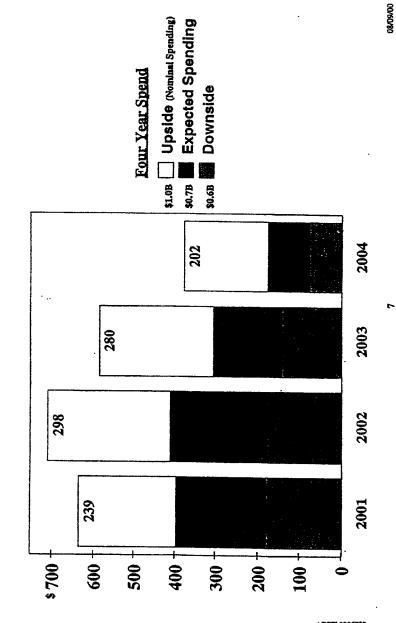
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JOHN HANCOCK FUNDING COLLABORATION

CONCELT CONCELT PORTFOLLO FUNDING COLLABORATION ABOUT PORTFOLLO OF COMPOUNDS JOHN HANCOCK FUNDING PARTNER - CONTRIBUTES SSO MMVYEAR NET - 4 YEARS - PAYSACK TO JOHN HANCOCK - MILESTONES AT AFPROVAL - OTHER MILESTONESFEE (230MM) REMBURSED BY JOHN HANCOCK - ROYALITES	DEVELOPMENT - ABBOTT CONTROLS DEVELOPMENT - REGULATORY - MANUFACTURING - BOTH SHARE IN TECHNICAL / COMMERCIAL, RISK - ABBOTT MAINTAINS COMMERCIAL, RIGHTS	
PORTFOLIO	FINANCIALS	
· LATE STAGE	· EXPECTED PORTFOLIO REQUIREMENTS 500 - 5/04	S780-800MM
111 287H4 (084-148) HAR -	JOHN HANCOCK S CONTRIBUTION	MM 0013
ENDOTHELIN (ABT-627) PHASE II / III	ABBOTT \$ CONTRIBUTION REQUIREMENT	
_ KETOLIDE (ABT-773) PHASE II / III	- ANNUAL MINIMUM	SOMM.
- CCM (ABT-494) PHASE II	- CUMMULATIVE - 5 YEARS	\$400MM
. KARLY TO MED STAGE (ONCOLOGY)	JOHN HANCOCK RETURN	
- ANTI-MITOTIC (EISAD PHASE)	- ROYALTIES (WORLDWIDE NET SALES)	
- MMPI (ABT-518) PRECLINICAL / 1 :	· PERIOD: - 10 YEARSPRODUCT	THRU 2014
- FTI PRECLINICAL	NONE PAID PAST 2014	AVG. 34%
- TED PRECLINICAL .		Charman
	- MILESTONES & APPROVAL (CAFFED & SAURIR)	16.21%
	PROVISIONS FOR: - MINIMUM SPEND FAILURE - COMPOSIND SHIBSTITITION	

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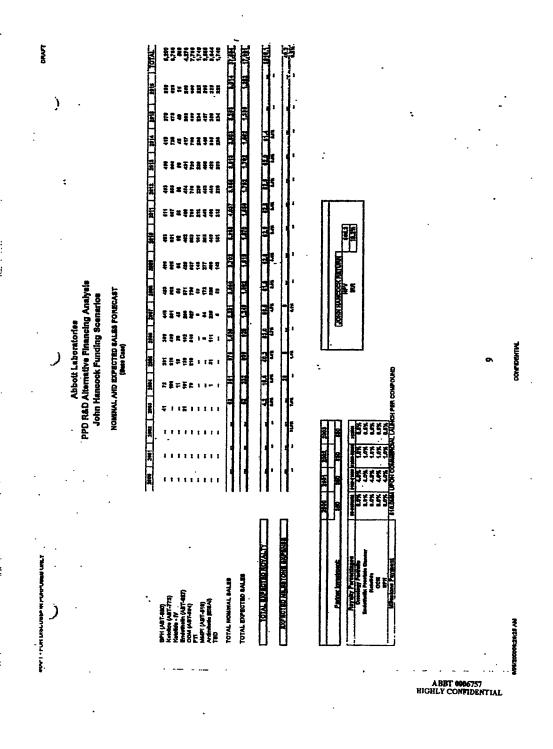


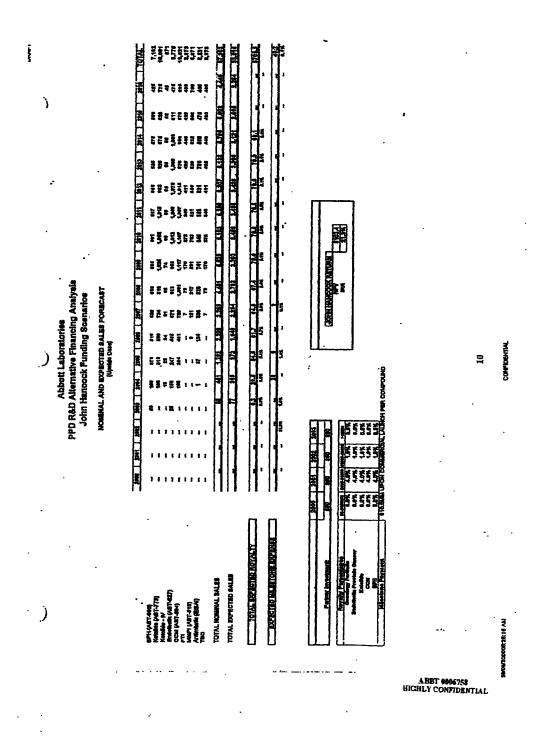
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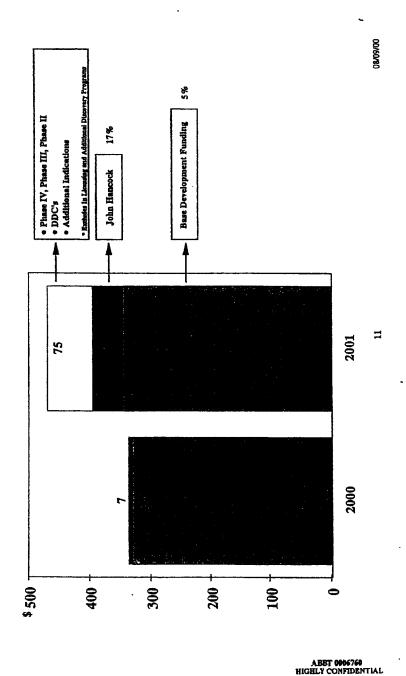
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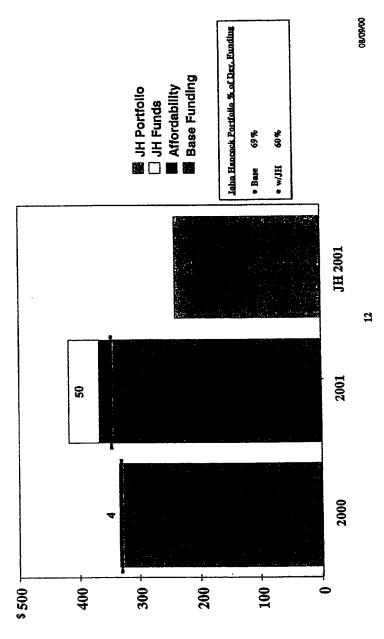




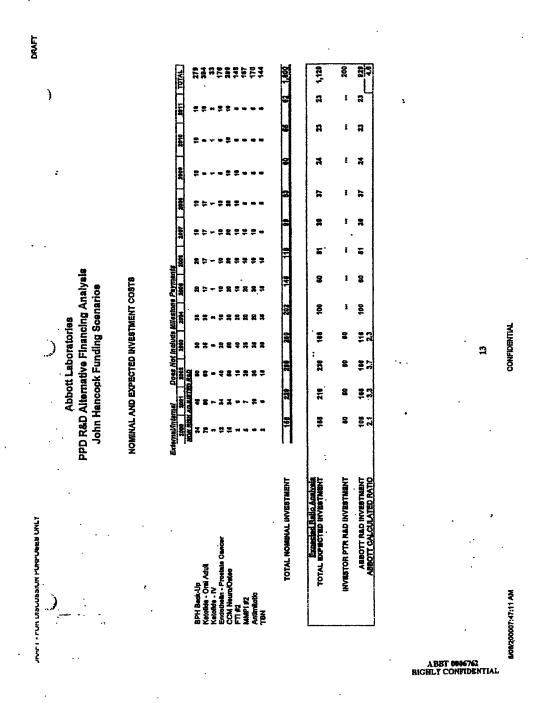








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	Preclin	돔	£	뭐	Launch	
Abbott (history)	50%	84%	80%	78%	_	
Lehman/Zeneca	40%	%02	20%	%09	8%	
Tuffe/CSDD	%0	75%	48%	84%		
A. Little (L)	%2	15%	20%	20%		
A. Little (M)	31%	39%	20%	74%		
A. Little (H)	20%	11%	%29	100%	••	
ABT Proj Base ABT Proj Upside		The second			11%	

TERMS - FURTHER

ROYALTIES ON PORTFOLIO SALES (\$MM)

\$ 0-\$400-8%

\$ 401 - \$1000 - 4%

\$1001 - \$2000 - 1%

\$2001 - .5%

MILESTONES

- IPON COMPOUND N

UPON COMPOUND NDA APPROVAL

· SIOMIM

• MAXIMUM 4 COMPOUNDS (CAPPED @ \$40MM) - UPON IND, PHASE I, II, III INITIATION

· \$1-5MM PER COMPOUND

\$12MM CAP

REIMBURSABLE

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Provisions for Minimum Spend Failure

1.) Carryover Provision

If Abbott spends the amount provided by John Hancock during a contract year, but spends less than the annual minimum (a further \$50 million), Abbott agrees to spend the shortfall in the next contract year in addition to the annual minimum required for that next year.

John Hancock will not be obligated to make an additional payment until Abbott has spent the carryover amount.

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Provisions for Minimum Spend Fai

3

Refund to John Hancock

Abbott. For example, if Abbott only spends \$25 million, amount provided less 1/2 of the amount actually spent by Hancock in a given contract year, Abbott will refund the Abbott will refund \$37.5 million of Hancock's original If Abbott does not spend the amount provided by John \$50 million payment.

Abbott's ability to reasonably demonstrate its intent to spend Subsequent payments by John Hancock will be based on the amount to be provided by Hancock in the next year

COKLOKATE LICEBSING

Provisions for Failure to Spend Aggregate Amount

:

If in every year of the Agreement Abbott fulfills its minimum spending requirements, but does not spend the Aggregate amount of \$400 million by the end of the 4th year (in addition to the John Hancock payments), then the following occurs:

- 1.) Abbott agrees to spend the shortfall in the 5th year (Aggregate carryover provision)
- 2.) If Abbott does not spend the carryover amount in the 5th year, Abbott will refund 1/3 of the remaining shortfall to Hancock

(For example, if after the 5th year, Abbott has spent only \$500 million total vs \$600 target, Abbott refunds \$33.3 million to Hancock out of the total Hancock payments of \$200 million)

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Provisions for Compound Substitution

In the event Abbott divests or out-licenses a compound that is in the portfolio, Abbott will substitute an alternative compound with a similar market opportunity and comparable stage of development provided that John Hancock reasonably agrees on the opportunity and stage of development of the alternative compound.

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Hendricks Deposition Exhibit 7

P's Exhibit 32

Part 1

__ RESEARCH FUNDING AGREEMENT

by and between

ABBOTT LABORATORIES

and .

JOHN HANCOCK LIFE INSURANCE COMPANY,

JOHN HANCOCK VARIABLE LIFE INSURANCE COMPANY,

and

INVESTORS PARTNER LIFE INSURANCE COMPANY

dated as of

March 13, 200

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RESEARCH FUNDING AGREEMENT

Document 325-5

This Research Funding Agreement is made as of March 13, 2001, by and between Abbott Laboratories; an Illinois corporation ("Abbott"), with its principal offices at 100 Abbott Park Road, Abbott Park, Illinois 60064-6049, and John Hancock Life Insurance Company, a Massachusetts corporation, John Hancock Variable Life Insurance Company, a Massachusetts corporation, and Investors Partner Life Insurance Company, a Delaware corporation (collectively, "John Hancock"), each with its principal offices at 200 Clarendon Street, Boston. Massachusetts 02117.

WITNESSETH

WHEREAS, Abbott is a global healthcare company actively engaged in the research and development of human pharmaceutical products;

WHEREAS, Abbott is interested in obtaining additional funding to support such research and development activities with respect to certain pharmaceutical products which are under development; and

WHEREAS, John Hancock is interested in providing such additional funding in exchange for the right to receive future milestone and royalty payments from Abbott.

NOW, THEREFORE, in consideration of the foregoing and the mutual covenants and undertakings contained berein, the parties hereto agree as follows:

ARTICLE I DEFINITIONS

In addition to the other terms defined elsewhere herein, the following terms shall have the following meanings when used in this Agreement (and any term defined in the singular shall have the same meaning when used in the phrail and vice versa, unless stated otherwise):

- "Affiliate" shall mean, with respect to each party, any corporation or other form of business organization, which directly or indirectly owns, controls, is controlled by, or is under common control with, such party. An entity shall be regarded as being in control of another entity if the former entity has the direct or indirect power to order or cause the direction of the policies of the other entity whether (i) through the ownership of more than fifty percent (50%) in the United States, or thirty percent (30%) or more outside the United States, of the outstanding voting securities (or other ownership interest for a business organization other than a corporation) of that entity; or (ii) by contract, stante, regulation or otherwise.
 - "Aggregate Carryover Amount" shall have the meaning given in Section 3.3.

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- 1.3 "Aggregate Spending Țarget" shall mean Six Hundred Fourteen Million Dollars (\$614,000,000).
- 1.4 "Annual Carryover Amount" shall have the meaning given in Section 3.3.
- 1.5 "Annual Minimum Spending Target" for each Program Year, shall mean the sum of (I) the Program Payment of John Hancock for such Program Year as specified in Section 3.1, (ii) Fifty Million Dollars (\$50,000,000), and (iii) any Annual Carryover Amount for the prior Program Year pursuant to Section 3.3. With respect to the fifth Program Year, the "Annual Minimum Spending Target" shall mean the Annual Carryover Amount for the prior Program Year pursuant to Section 3.3.
- 1.6 "Annual Research Plan" shall mean, for the Program Years in the Program Term, a reasonably and consistently detailed statement of the objectives, activities, timetable and budget for the Research Program for every Program Year remaining in the Program Term, it being understood that less detail shall be required for Program Years that are not the current Program Year. The first Annual Research Plan is attached as Exhibit 1.6. "Annual Research Plan" shall mean, for those years occurring after the expiration of the Program Term, a reasonably and consistently detailed statement of the objectives, activities, timetable and budget for the Research Program for such year only.
- 1.7 "Bundled Product" shall have the meaning given in paragraph (b) of the definition of Net Sales.
- 1.3 "Ceased Program" shall mean at least one year has elapsed since Abbott ceased its directed efforts with respect to the applicable Preclinical Program (FII Program, ED Program or MMPI Program), meaning that Abbott has eliminated the funding for the established research program identified by a core group of researchers dedicated to the applicable Preclinical Program. The continued existence of a researcher separate and apart from such core group shall not affect the determination that a Preclinical Program has ceased.
- 1.9 "Combination Product" shall mean any product containing one or more Program Compounds combined as a single pharmaceutical product with one or more other therapeutically active ingredients.
- 1.10 "Commercially Reasonable Efforts" shall mean efforts which are consistent with those normally used by other pharmaceutical companies with respect to other pharmaceutical compounds or products which are of comparable potential commercial value and market potential at a similar stage of development or product life, taking into account, without limitation, issues of safety and efficacy, compound or product profile, proprietary status, the regulatory environment and the status of the compound or product and other relevant scientific factors.
 - 1.11 "Compound Reports" shall have the meaning given in Section 12.2(1).

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CONFIDENTIAL JH 008082 "Confidential Information" shall have the meaning given in Section 10.2.

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- 1.13 "Delivery System Product" shall have the meaning given in paragraph (d) of the definition of Net Sales.
 - "Dollars" or "S" shall mean United States dollars.
- 1.15 "ED Program" shall mean all of Abbott's discovery efforts to identify compounds (including the identification of pre-clinical and development compounds owned by third parties) which modulate dopamine receptors for the purpose of treating exectile dysfunction.
- 1.16 "Eisai Agreement" shall mean the License Agreement dated June 29, 2000 between Eiszi Co., Ltd. and Abbott related to the Program Compound known as ABT-751.
 - 1.17 "Eisai Territory" shall mean the countries listed on Exhibit 1.17 hereto.
- 1.18 "Execution Date" shall mean the date set forth in the introductory paragraph to this Agreement.
 - 1.19 [Intentionally Omitted.]

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- 1.20 "FDA" shall mean the U.S. Food and Drug Administration or any successor entity thereto.
- 1.21 "First Commercial Sale" shall mean the first sale of a Product in a given country by Abbott, its Affiliates or Licensees to an unaffiliated third person after Regulatory Approval has been granted in such country.
- 1.22 "FII Program" shall mean all of Abbott's discovery efforts to identify compounds (including the identification of pre-clinical and development compounds owned by third parties) which act as famesyl transferase inhibitors for the purpose of treating cancer.
- 1.23 "In-License Agreements" shall mean the Eisai Agreement, the Wakumaga Agreement and the Taisho Agreement.
- "Interpational Tentitory" shall mean all areas of the world outside the U.S. Territory.
- 1.25 "Investigational New Drug Application" shall mean an investigational new drug application filed with the FDA in order to commence human clinical testing of a drug in the United States.

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- 1.26 "Licensee" shall mean my party licensed or otherwise authorized in writing by Abbott, its Affiliates or its licensees to market, distribute or self Products and from whom Abbott receives a royalty or other payment based upon sales of Products by such party, its affiliates or its licensees (it being understood that a party that is a merely a distributor, wholesaler or similar reseller of Products is not a Licensee hereunder). In no case shall Eisai Co., Ltd. or Taisho Pharmaceutical Co., Ltd. be considered Licensees under the terms of the Eisai Agreement or Taisho Co-Development Agreement with respect to the Eisai Turntory or Japan, respectively.
- 1.27 "Losses" shall mean any claims, demands, liabilities, costs, damages, judgments, settlements and other reasonable expenses (including attorneys' fees).
 - 1.28 "Milestone Payment" shall have the meaning given in Section 6.3.
- 1.29 "MMP1 Program" shall mean all of Abbott's discovery efforts to identify compounds (including the identification of pre-clinical and development compounds owned by third parties) that inhibit matrix metalloproteinase and treat cancer.
- 1.30 "NDA" shall mean a New Drug Application (as defined by the FDA) filed with the FDA for the purpose of obtaining Regulatory Approval of a Product in the U.S. Territory.
 - 1.31 "Net Sales" shall mean:
 - (a) the total gross sales of the Products (or, for purposes of clauses (b) and (c), the Bundled Products and Combination Products), in each case as set forth on the invoices for such sales by Abbott, its Affiliates and Licensees to unaffiliated third parties in any given period, plus, if applicable, the fair market value of all properties and services received in consideration of a sale of the Products (or, for purposes of clauses (b) and (c), the Bundled Products and Combination Products) by Abbott, its Affiliates and Licensees to unaffiliated third parties during such period, less the following deductions directly paid or actually incurred by Abbott, its Affiliates or Licensees during such period with respect to the sale of the Products (or, for purposes of clauses (b) and (c), the Bundled Products and Combination Products) to the extent included in the gross invoiced sales price therefor:
 - discounts, credits, rebates, allowances, adjustments, rejections, recalls and returns;
 - (ii) price reductions or rebates, retroactive or otherwise, imposed by government authorities;
 - sales, excise, turnover, inventory, value-added and similar taxes assessed on the royalty-bearing sale of Products;

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- transportation, importation, insurance and other handling expenses directly chargeable to the royalty-bearing sale of Products;
- charge backs granted to unaffiliated drug wholesalers; and (v)
- the portion of management fees paid to unaffiliated group purchasing organizations that relate specifically to the royalty-bearing sale of Products.
- With respect to a Product which is sold together with any other products and/or services in a country at a unit price, whether packaged together or separately (a "Bundled Product"), the Net Sales of such Bundled Product shall first be calculated in accordance with the definition of Net Sales under paragraph (a), and then the Net Sales of such Bundled Product shall be determined on a country-by-country basis as follows:
 - multiply the Net Sales of such Bundled Product in such country by the fraction A/(A+B) where A is the average selling price of such Product in such country when sold separately and B is the total of the average selling prices in such country of each such other product(s) and/or service(s) in such Bundled Product when sold separately; or . Pelos di di di .
 - (ii) if (x) either the average selling price of such Product or the total of the average selling prices of each such other products and/or services in such Bundled Product in such country is not available as of such date or (y) such Product is not sold separately in such country, multiply the Net Sales of such Bundled Product in such country by a percentage determined by the mutual agreement of the Parties which represents the proportionate economic value in such country of such Product relative to the economic value in such country contributed by the other products and/or services in such Bundled Product.
- (c) With respect to a Combination Product, the Net Sales of such Combination Product shall first be calculated in accordance with the definition of Net Sales under paragraph (a), and then the Net Sales of such Combination Product shall be determined on a country-by-country basis as follows:
 - multiply the Net Sales of such Combination Product in such country by the fraction A/(A+B), where A is the total of the average selling prices of the Program Compounds in such

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Combination Product when sold separately in such country and B is the total of the average selling prices of each other therapentically active ingredient when sold alone as a pharmaceutical product in such country; or

- (ii) if (x) either the average selling price of all Program Compounds in such Combination Product or the total of the average selling prices of each other therapeutically active ingredient in such Combination Product in such country is not available or (y) such Program Compounds are not sold separately in such country, multiply the Net Sales of such Combination Product by a percentage determined by mutual agreement of the Parties, which represents the proportionate economic value in such country of all Program Compounds in such Combination Product relative to the economic value in such country contributed by all other therapeutically active ingredients in such Combination Product.
- For purposes of this paragraph (d), a "Premium Delivery System" means (d) any delivery system comprising device(s), equipment, instrumentation or other non-ingestible components (but not solely containers or packaging) designed to assist in the administration of a Product, such as the Abbott ADD: Vantage® System: With respect to a Product which is sold together with a Premium Delivery System (a "Delivery System Product") in a country at a unit price, the Net Sales of such Delivery System Product shall first be calculated in accordance with the definition of Net Sales under paragraph (a), and then the Net Sales of such Product shall be determined on a country-by-country basis as follows:
 - if the Product is sold separately without the Premium Delivery System in a country, reduce the Net Sales of such Delivery System Product in such country by the amount that the average selling price of the Delivery System Product in such country exceeds the average selling price of such Product as sold separately in such
 - if the Product is not sold separately without the Premium Delivery System in such country, reduce Net Sales of such Delivery System Product by an amount, determined by mutual agreement of the Parties, which represents the proportionate economic value in such country added by the Premium Delivery System.
- (e) Net Sales shall not include any sales of Products containing one Program Compound (and no other Program Compound) known as (i) ABT-751 by Eisai Co. Ltd., its affiliates or licensees in the Eisai Territory or (ii) ABT-

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773 by Taisho Pharmaceutical Co., Ltd., its affiliates or licensees in Japan. Norwithstanding the foregoing sentence, Net Sales shall include in all instances sales by such parties of such products that are outside suchterritories, respectively.

- 1.32 "Parties" shall mean Abbott and John Hancock.
- 1.33 "Patents" shall have the meaning set forth in Section 12.2(e).
- 1.34 "Phase I Clinical Trial" shall mean a clinical trial of a Program Compound which utilizes a limited number of human beings preliminarily to address safety and to determine what doses can be safely tolerated.
- 1.35 "Phase IJ Clinical Trial" shall mean a controlled clinical trial, the primary objective of which is to ascertain additional data regarding the safety and tolerance of one of the Program Compounds and preliminary data regarding such Program Compound's efficacy.
- 1.36 "Phase III Clinical Trial" shall mean one or a series of controlled pivotal studies of a specific Program Compound by administration of such Program Compound to human beings where the principal purpose of such trial is to provide confirmatory safety and efficacy data necessary to support the filing for Regulatory Approval of a Product.
- 1.37 "Preclinical Programs" shall mean the following preclinical and clinical programs with potential backup compounds in accordance with Section 4.3(a): the FTI Program, the ED Program and the MMPI Program.
- 1.38 "Premium Delivery System" shall have the meaning given in paragraph (d) of the definition of Net Sales.
- 1.39 "Product" shall mean any product containing one or more of the Program Compounds as an active ingredient, alone or in combination with other active ingredients (including any Bundled Product and any Combination Product).
- 1.40 "Program Compounds" shall mean (i) the compounds listed on Exhibit 1.40; (ii) the first compound (the selection of which shall be consistent with Abbott using Commercially Reasonable Efforts) from each of the Preclinical Programs to enter Phase I Clinical Trial; (iii) any compounds or products substituted or added by Section 4.3; (iv) all line extensions and formulations of the foregoing; and (v) all analogs, isomers, improvements, derivatives and modifications of the foregoing unless such analog, isomer, improvement, derivative or modification would be considered a new chemical entity and required by the FDA to reenter Phase I Clinical Trial. A compound or product shall be considered a Program Compound regardless of the indication for which it is used.
 - "Program Inventions" shall have the meaning given in Section 5.1.

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1.42 "Program Payments" shall have the meaning given in Section 3.1.

1.43 "Program Related Costs" shall mean (i) all direct and indirect costs and expenses that are incurred by Abbott on the Research Program during a given Program Year and allocated in a manner consistent with Abbott's internal, pharmaceutical products division-wide allocation procedures; and (ii) the milestone and license fees paid during a given Program Year or during any extension period of the Program Term by Abbott to (a) Eisai Co. Ltd. (not to exceed Eighteen Million Dollars (\$18,000,000) in the aggregate with respect to the Program Compound known as ABT-751 pursuant to the Eisai Agreement) and (b) Wakunaga Pharmaceutical Co., Ltd. (not to exceed Twenty Seven Million Five Huntherd Thousand Dollars (\$27,500,000) in the aggregate with respect to the Program Compound known as ABT-492 pursuant to the Wakunaga Agreement). Any payments made by Abbott to John Hancock pursuant to Sections 6.2 and 6.3(a), (b), (c), (d) and (e) shall constitute Program Related Costs. Any payment made by Abbott to John Hancock pursuant to Sections 6.3(f) shall not constitute Program Related Costs. Set forth on Exhibit 1.42 is an example of the calculation of Program Related Costs for a particular Program Compound.

- 1.44 "Program Term" shall mean a period of four (4) consecutive Program Years.
- 1.45 "Program Year" shall mean a period of twelve (12) consecutive calendar months commencing on January 1 of each year, except that the first Program Year shall commence on the Execution Date and end on December 31, 2001.
- 1.46 "Quarterly Reporting Period" shall mean the calendar quarter with respect to the U.S. Territory together with the fiscal quarter ending on the final day of February, May, August and November (as the case may be) with respect to the International Territory. For example, the Quarterly Reporting Period that comprises the second calendar quarter with respect to the U.S. Territory also includes the period from March 1 through May 31 with respect to the International Territory. If Abbott adopts the calendar year as its fiscal year for the International Territory, then the Quarterly Reporting Period for the International Territory shall also be the calendar quarter.
- 1.47 "Research Program" shall mean all of Abbott's, its Affiliates' and Subcontractors' activities directed towards obtaining Regulatory Approval for the Products, including research, development, safety and efficacy studies, clinical trials, process development, formulation work, regulatory, quality, data collection and analysis and project management.
- 1.48 "Regulatory Approval" shall mean: (i) with respect to the U.S. Territory, the receipt of approval from the FDA to market a Product in the U.S. Territory; and (ii) with respect to any country in the International Territory, receipt of the governmental approvals required to market a Product in such country, including any pricing and reimbursement authorization required in such country.

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- 1.49 "Replacement Compound" shall mean a compound (i) made available to Abbott as a result of any transaction involving Abbott or its Affiliates (whether by merger, acquisition or sale of assets or equity, or by license or otherwise), (ii) used for the same class of indications as the Ceased Compound (for example, anti-infectives, cancer, cardiovascular or pain), and (iii)
- 1.50 "Royalty Term" shall mean, with respect to each Product in each country, a period of ten (10) years from the later of (x) the date of First Commercial Sale of such Product in such country and (y) the two year anniversary of the Execution Date; provided that (i) the obligation to make royalty payments on the Product shall not begin until the two-year anniversary of the Execution Date (and only with respect to Net Sales occurring on or after such date) and (ii) Abbott's obligation to make royalty payments shall cease on December 31, 2015.

having at least the current and projected potential commercial value to John Hancock as the

- 1.51 "Subcontractor" shall have the meaning given in Section 2.4.
- 1.52 "Taisho Agreement" shall mean the Co-Development Agreement dated
 September 30, 1997 between Taisho Pharmaceurical Co., Ltd. and Abbott related to the Program
 Compound known as ABT-773.
- 1.53 "Territory" shall mean both the U.S. Territory and the International Territory, excluding the Eisai Territory with respect to the Frogram Compound known as ABT-751.
- 1.54 "U.S. Territory" shall mean the United States of America, excluding Puerto Rico and the U.S. Virgin Islands.
- 1.55 "Wakunaga Agreement" shall mean the License Agreement dated December 1, 1999 between Wakunaga Pharmaceutical Co., Ltd. and Abbott related to the Program Compound known as ABT-492.

ARTICLE 2 ANNUAL RESEARCH PROGRAM

- 2.1 <u>Research Program Term.</u> The Research Program shall be conducted by Abbott during the Program Term, and beyond the Program Term until Abbott either abandons development in accordance with the terms hereof or receives Regulatory Approval for each Program Compound, or some combination thereof.
- 2.2 Research Plan. The Research Program shall be conducted by Abbott in each Program Year in accordance with the Annual Research Plan for such Program Year. The Annual Research Plan will be provided to John Hancock until Abbott either abandons development in accordance with the terms hereof, or receives Regulatory Approval for, each Program Compound in the U.S. Territory, or some combination thereof. The Annual Research Plan shall be prepared

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by Abbott and presented to John Hancock at least forty-five (45) days prior to the start of each Program Year. The first Asianal Research Plan is attached as Exhibit 1.6. Abbott may modify the Annual Research Plan from time to time in order to best meet the objectives of the Research Program. Any such modifications to the Annual Research Plan shall be promptly provided to John Hancock. In addition, Abbott shall provide an Annual Research Plan for each year after the end of the Program Term as long as there is an active research program for any Program Compounds.

- Conduct of Research. Abbott shall use Commercially Reasonable Efforts to conduct the Research Program in good scientific manner and using good laboratory practices, to achieve the objectives of the Research Program efficiently and expeditiously and to comply with all applicable laws and regulations. Notwithstanding anything in this Agreement to the contrary, Abbott does not represent, warrant or guarantee that the Research Program will be successful in whole or in part or result in the registration or commercialization of any pharmaceutical products or that any Products obtaining Regulatory Approval will be a commercial success.
- Subcontracting Research. Abbott may subcontract or outsource to Affiliates or third persons (each, a "Subcontractor") any portion of the Annual Research Plan. Consistent with Abbott's past practices, each Subcontractor shall enter into a confidentiality agreement with Abbott and agreements pursuant to which such Subcontractor is required to comply with all applicable laws and regulations, including conducting the Research Program in good scientific manner and using good laboratory practices, with respect to its work on the Research Program. Abbott shall supervise and be responsible under this Agreement for the work of each such Subcontractor on the Research Program and no subcontracting or outsourcing shall relieve Abbott of any of its obligations hereunder.
- Research Reports and Records. Abbott shall, no later than thirty (30) days before the last day of each Program Year, provide John Hancock with a reasonably detailed report setting forth the status of the Research Program and all Program Related Costs expended by Abbott during such Program Year. The Program Related Costs set forth in such report may include good faith estimates with respect to the last three (3) months of the Program Year, provided that the report under this Section 2.5 for the following Program Year contains the actual Program Related Costs for that three (3) month period. Such report shall also contain such other information related thereto as John Hancock may reasonably request from time to time. Abbout shall, and shall cause each Subcontractor to, maintain complete and accurate records, in sufficient detail and in good scientific manner appropriate for patent and regulatory purposes and for purposes of demonstrating compliance with the terms hereof, that fully and properly reflect all work done, results achieved and Program Related Costs expended in performance of the Research Program. The books and records of Abbott and each Subcontractor related to the Research Program, including, without limitation, those related to the expenditure of Program Related Costs, shall be subject to copying, inspection and audit by (and at the expense of) John Hancock at any time and from time to time. Such audit shall occur upon reasonable notice and during normal business hours by an independent auditor selected by John Hancock and reasonably acceptable to Abbott. John Hancock and its independent auditor shall maintain such

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records and information of Abbott in confidence in accordance with Article 10 and shall not use such records or information except to the extent permitted by this Agreement, including any enforcement of the provisions hereof. In the event that such andit reveals any material breach of Abbott's responsibilities hereunder, Abbott shall (i) pay the reasonable fees and expenses charged by such auditor, and (ii) fully and promptly care such breach.

ARTICLE 3 RESEARCH FUNDING

John Hancock Program Payments. John Hancock shall make the following installment payments on the applicable payment date (the "Payment Date"), for the applicable Program Year, to Abbott to help support the Research Program (the "Program Payments"):

Payment Date .	Amount	Program Y
December 1, 2001	\$50,000,000	First
December 1, 2002	\$54,000,000	Second
December 1, 2003	\$58,000,000	Third
December 1, 2004	\$52,000,000	Fourth

All Program Payments shall be expended by Abbon on Program Related Costs and for no other purpose. If John Hancock has not received at least thirty (30) days prior to the Payment Date both (i) the Annual Research Plan for such year and (ii) the report described in Section-2.5 for the previous Program Year, then John Hancock's obligation to make the Program Payment due on such Payment Date shall be suspended until thirty (30) days have elapsed from the date of John Hancock's receipt of both such Aramal Research Plan and report.

- Abbott Funding Cibligation. Abbott shall spend on Program Related Costs: (i) during each Program Year, at least the Annual Minimum Spending Target for such Program Year and (ii) at least the Aggregate Spending Target during the Program Term. John Hancock's sole and exclusive remedies for Abbott's failure to fund the Research Program in accordance with this Section 3.2 (but not for any other breach of Abbott's other obligations hereunder) are set forth in Sections 3.3 and 3.4.
- Carryover Provisions. Abbott shall be permitted to change its funding abligations under Section 3.2 only as follows:
 - If in any Program Year Abbott spends on Program Related Costs, the full amount of the Program Payment provided by John Hancock for such Program Year, but does not spend the full amount of the Amount Minimum Spending Target for such Program Year (including any Annual Carryover Amounts from any prior Program Years), Abbott will spend on Program Related Costs the difference between its expanditure on Program Related Costs for such Program Year and the Annual Minimum Spending Target

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for such Program Year (the "Annual Carryover Amount") in the subsequent Program Year. John Hancock's obligation to make any Program Payment for such subsequent Program Year, if any, pursuant to Section 3.1, shall be deferred until the time that Abbott has spent and notifies John Hancock that it has spent the Annual Carryover Amount in such subsequent Program Year, and

- (b) If Abbott does not expead on Program Related Costs the full amount of the Aggregate Spending Target during the Program Term, Abbott will expend the difference between its expenditures for Program Related Costs during the Program Term and the Aggregate Spending Target (the "Aggregate Carryover Amount") on Program Related Costs during the subsequent year commencing immediately after the end of the Program Term. If Abbott does not spend the Aggregate Carryover Amount on Program Related Costs during such subsequent year, Abbott will pay to John Hancock one-third of the Aggregate Carryover Amount that remains unspent by Abbott, within thirty (30) days after the end of such subsequent year.
- Termination of John Hancock's Program Payment Obligation. If Abbott: (i) abandons development of all Preclinical Programs and Program Compounds in any Program Year during the Program Term (it being understood that such abandonment need not occur entirely in one Program Year); (ii) does not expend on Program-Related Costs during any Program Year the full amount of the Program Payment made by John Hancock for such Program Year, (iii) does not reasonably demonstrate in its Annual Research Plan, its intent and reasonable expectation to expend on Program Related Costs during the next Program Year an amount in excess of the Program Payment to be provided by John Hancock for such year; or (iv) does not reasonably demonstrate in its Annual Research Plan its intent and reasonable expectation to expend on Program Related Costs during the Program Term an amount in excess of the Aggregate Spending Target, John Hancock's obligation to make any remaining Program Payments for any succeeding Program Years pursuant to Section 3.1 shall terminate. For the avoidance of doubt, the Program Payments for the Program Year in which such event occurs shall still be due and payable, adjusted only as set forth in the next sentence, if applicable. In addition, in the case of either (i) or (ii) above, Abbott shall (not later than the 10th day following such event) pay to John Hancock (x) the amount, if any, by which the Program Payment made by John Hancock for such year (in the case of (i) above meaning the Program Year in which all Preclimical Programs and Program Compounds were finally abandoned), if any, exceeds one-half of the Program Related Costs actually spent by Abbott during that Program Year and (y) such additional amount that, after giving effect to the payments referred to in this sentence, causes the Program Related Costs for all years in the Program Term to date to have been funded one-third (1/3) by John Hancock and two-thirds (2/3) by Abbott.
- 3.5 <u>Hancock Funding Obligation</u>. John Hancock's entire obligation hereunder shall be limited to providing the Program Payments set forth in Section 3.1. Abbott shall be solely

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responsible for funding all Program Related Costs in excess of the Program Payments from John Hancock.

ARTICLE 4 PRODUCT RESEARCH AND DEVELOPMENT

- 4.1 Commercially Reasonable Efforts. Abbott shall be solely responsible for the clinical development, government approval, manufacturing, marketing, sales and distribution of Products. Abbott will use, and will cause each of its Affiliates and Licensees to use, Commercially Reasonable Efforts to pursue the clinical development, government approval, manufacturing, marketing, sales and distribution of Products throughout the Tenritory. The obligations of Abbott, its Affiliates and Licensees with respect to any Product under this Article 4 are expressly conditioned upon the safety, efficacy and commercial feasibility of each Product, consistent with using Commercially Reasonable Efforts, but no license, assignment or other. transfer of rights by Abbott will modify or reduce Abbott's obligations hereunder (except as set forth in Article 14). It is the parties' expectation that under normal circumstances Abbott will file for Regulatory Approval with respect to each Product in Europe within two (2) years from the date of the NDA filing for such Product in the U.S. Territory and in Japan within five (5) years from such NDA filing date; provided, however, that these time frames may be extended or otherwise altered based upon unforeseen circumstances that legitimately impact such regulatory filings in such foreign jurisdictions.
- 4.2 Marketing and Sale Responsibility. Without limiting the generality of Section 4.1, within six (6) months of obtaining Regulatory Approval for a Product in a given country, Abbon, its Affiliates or Licensees shall commence to market and sell such Product in such country. Abbott's obligation to market and sell a Product shall not apply to a Product in any country if Abbott has not countrenced or has ceased marketing and selling such Product in such country substantially on account of adverse business or financial conditions caused by the regulatory authorities or other governmental authorities of such country (including not commencing marketing and selling in a country where the regulatory authorities have price or reimbursement approval and the price or reimbursement approval and the price or reimbursement approval or that proposed by the regulatory authorities or government authorities is unacceptable to Abbott) which causes the marketing and sale of such Product in such country to be contrary to the financial best interests of John Hancock and Abbott; provided, however, that Abbott, its Affiliates or Licensees shall commence or resume marketing and sale of such Product in such country as soon as reasonably practical after such adverse business or financial conditions cease to exist.
 - 4.3 Failure of Program Compound to Progress.

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(a) Preclinical Programs: ED Program. FTI Program and MMPI Program.
With respect to any Program Compound resulting from a Preclinical
Program that Abbott ceases to develop past Phase I Clinical Trial (i.e.,
does not enter a Phase II Clinical Trial) (a "Failed Early Stage Program

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Compound"), for which Abbott or its Affiliates has or will have one or more other compounds in such respective Preclinical Program (which includes all in-licensed compounds not yet approved for marketing), the next compound to enter Phase I Clinical Trials from such Preclinical Program shall be considered a Program Compound in all respects hereunder, as of the date of the cessation of such Failed Early Stage Program Compound; provided however, with respect to each Preclinical Program, there shall be no more than three Program Compounds substituted under this Section 4.3(a) (for an aggregate maximum of nine (9) such substitutions for all Preclinical Programs). At the time a Preclinical Program becomes a Ceased Program, Abbott shall have no further obligation to provide a substitute for a Failed Early Stage Program Compound.

- (b) Failure of ABT-492 or ABT-510 to Yield a Compound that Enters a Phase II Clinical Trial. If (i) ABT-492 fails to enter a Phase II Clinical Trial, or (ii) ABT-510 fails to enter a Phase II Clinical Trial, then within six (6) months after the failure of the first such Program Compound to enter a Phase II Clinical Trial, Abbott shall substitute a compound in a Phase II Clinical Trial having a commercial value not less than that currently expected for ABT-492 and ABT-510, respectively (as of the date of execution of this Agreement).
 - (c) Cessation as a Result of an Acquired Replacement Compound. If Abbott ceases or substantially ceases developing, marketing or selling any Program Compound (that is in Phase I or beyond) or Product (a "Ceased Compound"), and if such cessation or substantial cessation is a result of Abbott's acquisition of a Replacement Compound, then the Replacement Compound shall be considered a Program Compound and/or Product from the date of such acquisition and the Ceased Compound shall no longer be considered a Program Compound.

In the event that the Replacement Compound has been approved for marketing by the FDA and the Censed Compound has not been approved for marketing by the FDA as of the date of such acquisition, Section 4.3(d) shall apply and the first paragraph of this Section 4.3(c) shall not apply.

In the event that the Ceased Compound has been approved for marketing by the FDA as of the date of such acquisition, John Hancock shall have the option, in its sole discretion, to have Abbott maximize the commercial value of the Ceased Compound pursuant to Section 4.3(d) instead of having the Ceased Compound be subject to this Section 4.3(e).

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- Cessation for Reasons Other than Section 43(c). If a Program Compound (that is in Phase I or beyond) or Product becomes a Ceased Compound for any reason not as a result of the acquisition of a Replacement Compound as set forth in Section 4.3(c) above and provided that such Ceased Compound has commercial value, then
 - as soon as is practicable Abbott shall maximize the commercial value, if any, of the Ceased Compound to both parties by outlicensing or divesting such Ceased Compound to a third party; provided, however, if the out-licensing or divestiture of such Ceased Compound requires the approval of Taisho Pharmaceutical Co., Ltd. (in the case of Program Compound ABT-773), Eissi Co., Ltd. (in the case of Program Compound ABT-751) or Wakunaga Pharmaceutical Co., Ltd. (in the case of Program Compound ABT-492), pursuant to the respective In-License Agreement, and such entity does not grant such approval, then Abbott shall within a reasonable period of time but not more than three months substitute a compound (which shall therespon become a "Program Compound") having at least the current and projected potential commercial value as such Ceased Compound;
 - John Hancock shall be permitted (but have no obligation) to assist in such out-license and/or divestiture effort; and
 - Abbott shall remunerate John Hancock based on the sales of such ... Ceased Compound by the third party that has acquired or licensed the Ceased Compound (the "Acquirer") in a manner most consistent with the allocation that would have applied hereunder had such Ceased Compound not been so out-licensed or divested, i.e., in accordance with the royalties and milestones payable hereunder. The appropriate royalty rate payable to John Hancock shall be determined by adding the Acquirer's Net Sales of the Ceased Compound to the total Net Sales of other Products.
- (e) Divestiture. Notwithstanding anything herein to the contrary, Abbott shall not divest or our-license my Program Compound (which shall mean a sale, license or other transfer by Abbott of the right to develop, market and sell any Product containing such Program Compound either (i) in all of North America or (ii) in the countries of Japan and/or the European Union that have at least two-thirds of the total population of Japan and the European Union), without John Hancock's prior written consent, which consent shall not be unreasonably withheld; provided however, if such Program Compound is being divested as a result of direction from the

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Federal Trade Commission to so divest, John Hancock's written consent shall not be required.

- (f) Notice and Information. Abbott shall promptly notify John Hancock upon occurrence of any decision by Abbott to cease or substantially cease developing, marketing or selling any Program Compound or Product. In addition, Abbott shall provide to John Hancock all information reasonably requested by John Hancock related to any Replacement Compound, Program Compound, or Product that is subject to the provisions of this Section 4.3.
- (g) Commercially Reasonable Efforts. Nothing in this Section 4.3 shall lessen any of Abbott's other obligations under this Agreement nor permit Abbott to perform in any manner that is not clearly consistent with using its Commercially Reasonable Efforts hereunder.
- 4.4 Arm's-Length. Abbott shall not research, develop, manufacture, market, sell, distribute, out-license or otherwise treat any Program Compounds or Products differently, as compared to any other Abbott compounds or products, on account of any of John Hancock's rights hereunder. Furthermore, all distribution agreements, licenses, out-licenses and other agreements relating to the research, development, manufacturing, marketing, sale, distribution, licensing, out-licensing or divestitute of and all other transactions involving any Program Compounds or Products to or with any third party (except to Abbott's Affiliates) shall be on arm's-length terms and conditions.
- 4.5 <u>In-License Agreements.</u> Abbott shall comply in all material respects with the terms and conditions of the In-License Agreements. Abbott shall not amend the In-License Agreements or waive any of its rights thereunder without John Hancock's prior written consent (such consent not to be unreasonably withheld), unless such amendment or waiver does not have and would not have a material adverse effect on John Hancock's interests hereunder. To the extent that Abbott or any of its Affiliates obtains the right to market, distribute or sell Products containing the Program Compound known as ABT-751 in the Eisai Terntory, then sales by Abbott, its Affiliates and Licensees of such Products in such territory shall be included in all respects hereunder (including without limitation in Net Sales and the Territory).

ARTICLE 5 PROGRAM INVENTIONS

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"5.1 <u>Ownership.</u> As between Abbott and John Hancock, all inventions, innovations, ideas, discoveries, technology, know-how, methods, data, applications and products (in each case whether or not patentable) arising from the Research Program or otherwise related to the Program Compounds (collectively, the "<u>Program Inventions</u>") shall be exclusively owned by or assigned to Abbott. Abbott shall not divest, out-license or otherwise transfer any of its right, title

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or interest in or to any Program Inventions which would prevent or impair Abbott's ability to fulfill its obligations to John Hancock under this Agreement:

- 5.2 Patent Prosecution and Maintenance. To the extent it owns a Program Invention or has the contractual right to pursue patent protection for a Program Invention, Abbott will use Commercially Reasonable Efforts to obtain patent protection for the Program Inventions in the Territory. As between Abbott and John Hancock, Abbott shall be responsible for all costs and expenses and control all decisions related to pursuing such patent protection, including the preparation, filing (foreign and/or domestic), prosecution, issuance and maintenance of patent applications or patents covering Program Inventions.
- 5.3 Enforcement. As between Abbott and John Hancock, Abbott shall have the sole right and authority to enforce the patents or any other rights arising from the Program Inventions (including without limitation the Patents) against any infringers. If Abbott initiates any action or lawsuit to enforce such patents or other rights, it shall be solely responsible for the cost and expense thereof. Abbott will promptly notify John Hancock at such time as it becomes aware of any infringement activities and of any such enforcement actions or lawsuit, and Abbott will provide information concerning them as reasonably requested by John Hancock. All moneys recovered upon the final judgment or settlement of any such action or lawsuit, less the out-of-pocket cost and expense thereof, shall be allocated between Abbott and John Hancock propontional to Abbott's lost profits and John Hancock's lost royalties as a result of such infringement.

ARTICLE 6 MILESTONE PAYMENTS TO JOHN HANCOCK

- 6.1 [Intentionally omitted].
- 6.2 Management Fee. On December 1, 2002, 2003 and 2004, Abbott shall pay to John Hancock a management fee, each of which shall be in the amount of Two Million Dollars (\$2,000,000).
- 6.3 <u>Milestone Notification and Payments</u>. Abbott shall promptly notify John Hancock of the occurrence any of the following events that give rise to Abbott's obligation to make a payment pursuant to this Section 6.3 (each, a "<u>Milestone Payment</u>"). Except as hereinafter limited, Abbott shall pay the following Milestone Payments to John Hancock in the amounts and at the times set forth below with respect to each Program Compound:
 - (a) One Million Dollars (\$1,000,000) shall be paid within thirty (\$30) days after the allowance by the FDA of each Investigational New Drug Application for such Program Compound;

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- (b) Two Million Dollars (\$2,000,000) shall be paid within thirty (30) days
 after the initiation of each Phase I Clinical Trial with such Program
 Compound;
- (c) Three Million Dollars (\$3,000,000) shall be paid within thirty (30) days after the initiation of each Phase II Clinical Trial with such Program Compound;
- (d) Four Million Dollars (\$4,000,000) shall be paid within thirty (30) days after the initiation of each Phase III Clinical Trial with such Program Compound; and
- (e) Five Million Dollars (\$5,000,000) shall be paid within thirty (30) days after the filing of each NDA with the FDA for such Program Compound.

In addition, except as hereinafter limited, Abbott shall pay the following Milestone Payments to John Hancock in the amounts and at the times set forth below:

- (f) (i) Twenty Million Dollars (\$20,000,000) shall be paid within thirry (30) days after the Regulatory Approval of the first Product in the U.S. Territory;
 - (ii) Ten Million Dollars (\$10,000,000) shall be paid within thirty (30) days after the Regulatory Approval of the second Product in the U.S. Territory; and
 - (iii) Ten Million Dollars (\$10,000,000) shall be paid within thirty (30) days after the Regulatory Approval of third Product in the U.S. Territory.

The aggregate of Milestone Payments under Section 6.3(a), (b), (c), (d), and (e) for all Program Compounds shall be limited to Eight Million Dollars (\$8,000,000), and once such aggregate limit has been paid, no further payments shall be due and payable under Sections 6.3(a), (b), (c), (d) or (e).

The aggregate of Milestone Payments under Sections 6.3(a), (b), (c), (d) and (e) for all Program Compounds shall be limited to zero dollars (\$0) during the first Program Year, Two Million Dollars (\$2,000,000) during the second Program Year, and Six Million Dollars (\$6,000,000) during the third Program Year, and once such annual limit has been reached for these particular Program Years, no further payments shall be due under Sections 6.3(a), (b), (c), (d) and (e) for the remainder of such Program Year, provided that any amounts that would have been due to John Hancock but for such annual limits shall be paid in subsequent Program Years so long as the Program Compound to which it relates has not been abandoned, divested or out-licensed by Abbott, subject to the Eight Million Dollar (\$8,000,000) limitation set forth above. Subject to

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the limitations above, the Milestone Payments under Sections 6.3(a), (b), (c), (d) and (e) may be made more than once with respect to each Program Compound.

The aggregate of Milestone Payments under Section 6.3(f) for all Program Compounds shall be limited to Forty Million Dollars (\$40,000,000), and once such aggregate limit has been paid, no further payments shall be due and payable under Section 6.3(f). In addition, Milestone Payments under Section 6.3(f) shall not be paid more than once for any particular Program Compound.

Exhibit 1.40 sets forth the current stage of clinical development for each Program Compound.

ARTICLE 7 ROYALTIES

Royalty Rates. Subject to the limitation set forth below, Abbott shall pay to John Hancock royalties equal to the following percentages of Net Sales, aggregated on a yearly basis, of all Products in the Territory:

Royalty percentage

Yearly Net Sales (in millions) of all Products in the Territory

\$.5% of those Net Sales and then 4% of those Net Sales and then 1% of those Net Sales and then 0.5% of those Net Sales

up to \$400 in excess of \$400 up to \$1,000 in excess of \$1,000 up to \$2,000 in excess of \$2,000

Net Sales shall be aggregated yearly (i) in the case of the U.S. Territory, on a calendar year basis, together with (ii) in the case of the International Territory, on a December 1 to November 30 basis, in each case consistent with the determination of Quarterly Reporting Periods.

Royalty Term. The duration of the obligation to make royalty payments on each Product shall be determined on a country-by-country basis and shall last for the duration of the Royalty Term in each given country for such Product.

ARTICLE 8 ROYALTY REPORTS AND ACCOUNTING

Reports. Exchange Rates. With respect to every Quarterly Reporting Period for which Abbott is obligated to pay any royalty hereunder, Abbott shall furnish to John Hancock a single written report for such Quarterly Reporting Period within sixty (60) days after the end of such Quarterly Reporting Period (that is, within sixty (60) days after each March 31, June 30, September 30 and December 31, as the case may be) showing in reasonably specific detail:

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- the total gross sales in each country for each Product sold by Abbott, its Affiliates and Licensees in the Territory and the detailed calculation of Net Sales from gross sales in each country for each Product;
- the royalties payable in Dollars, if any, which shall have accrued **(**b) hereunder;
- the dates of the First Commercial Sale of each Product in any country in (c) the Territory during such Quarterly Reporting Period; and
- the exchange rates used in determining the amount of Dollars. (d)

With respect to sales of Products invoiced in Dollers, the gross sales, Net Sales (including all adjustments and deductions permitted to be made hereunder in calculating the same), and royalties payable shall be expressed in Dollars. With respect to sales of Products invoiced in a currency other than Dollars, the gross sales, Net Sales (including all adjustments and deductions permitted to be made hereunder in calculating the same) and royalties payable shall be expressed in their Dollar equivalent, celculated using the Inter Bank rate set forth in the International Report published by International Reports Inc. as Foreign Exchange Rates quoted in New York on the day nearest the last business day of the Quarterly Reporting Period.

8.2 Audīts..

- Upon the written request of John Hancock and, in the absence of any (a) breach by Abbott hereunder, not more than once in each calendar year, Abbott shall permit John Hancock and an independent certified public accounting firm of nationally recognized standing, selected by John Hancock and reasonably acceptable to Abbott, at John Hancock's expense, to have access during normal business hours to such of the records of Abbott, its Affiliates and Licensees to verify the accuracy of the royalty reports and the amounts and calculation of any payments required hereunder for any year ending not more than five (5) years prior to the date of such request.
- If such accounting firm concludes that additional royalties or other **(b)** payments were owed during such period, Abbott shall have the option to invoke the proceedings of Section 16.7 below or pay the additional royalties or other payments within thirty (30) days after the date John Hancock delivers to Abbott such accounting firm's written report so concluding. The reasonable fees and expenses charged by such accounting firm shall be paid by John Hancock; provided, however, if the audit discloses that the amounts payable by Abbott for any Quarterly Reporting Period are more than one hundred five percent (105%) of the royalties

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actually paid for such period, then Abbott shall pay the reasonable fees and expenses charged by such accounting firm.

- (c) Abbott shall cause its Affiliates to, and shall include in each license granted by it relating to a Program Compound or Product a provision requiring the Licensee to, (i) make reports to Abbott, (ii) keep and maintain records of Net Sales made pursuant to such license and (iii) grant access to such records by John Hancock and its accounting firm or other auditor to the same extent required of Abbott under this Agreement.
- (d) All reports and payments not disputed as to correctness by John Hancock within five (5) years after receipt thereof shall thereafter conclusively be deemed correct for all purposes, and Abbott, its Affiliates and Licensees shall be released from any liability or accountability with respect to such reports and payments.
- 8.3 <u>Confidential Financial Information</u>. John Hancock shall treat all information subject to review under this Article 8, and shall cause its accounting from to agree to treat all such information, in accordance with the provisions of Article 10.
- 8.4 Accounting Principles. All accounting hereunder, including without limitation all determinations of gross sales, Net Sales (including all adjustments and deductions permitted to be made hereunder in calculating the same), Program Related Costs and all calculations underlying such determinations, shall be made in accordance with generally accepted accounting principles as in effect in the United States, consistently applied.

ARTICLE 9 PAYMENTS

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- 9.1 Payment Terms. With respect to every Quarterly Reporting Period for which Abbott is obligated to pay a royalty hereunder, such royalties shall be due and payable in a single payment within sixty (60) days of the end of such Quarterly Reporting Period (that is, within sixty (60) days of each March 31, June 30, September 30 and December 31, as the case may be). Payment of royalties may be made in advance of such due date.
 - 9.2 <u>Payment Method.</u> All royalties and other payments by Abbon to John Hancock under this Agreement shall be made by bank wire transfer in immediately available funds in accordance with the instructions set forth on <u>Exhibit 9.2</u> attached hereto or in accordance with such other instructions as John Hancock may give from time to time.
 - 9.3 <u>Late Payments</u>. Each party shall pay interest to the other on the aggregate amount of any payments by it that are not paid on or before the date such payments are due under this Agreement, including, without limitation, any disputed payments or payments resulting from any

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andit, at a rate per annum equal to the lesser of (a) the prime rate of interest plus two hundred (200) basis points as reported by Citibank, N.A. in New York, from time to time (with any change in such reported rate being effective immediately for purposes hereof), or (b) the highest rate permitted by applicable law, calculated on the number of days such payments is delinquent until paid in full in cash. All such amounts shall be payable upon demand.

ARTICLE 10 CONFIDENTIALITY

- 10.1 Nondisclosure Obligations. Except as otherwise provided in this Article 10, thering the term of the Agréement and for a period of ten (10) years thereafter, (a) John Hancock shall maintain in confidence in accordance with such procedures as are adopted by John Hancock to protect its own confidential information and shall use only for purposes of this Agreement (including, without limitation, enforcement of the terms hereof), information and data related to the Program Compounds or Products; and (b) John Hancock shall also maintain in confidence in accordance with such policies, and use only for purposes of this Agreement, all information and data supplied by Abbott under this Agreement, which if disclosed in writing is marked "confidential", if disclosed orally is promptly thereafter summarized and confirmed in writing to the other party and marked "confidential", or if disclosed in some other form is marked "confidential."
- to'? Permitted Disclosures. For purposes of this Article 10, information and data described in clause (a) or (b) above shall be referred to as "Confidential Information". John Hancock may disclose Confidential Information as required by applicable law, regulation or judicial process, provided that John Hancock shall, if legally permitted, give Abbott prompt written notice thereof. The obligation not to disclose or use Confidential Information shall not apply to any part of such Confidential Information that (f) is or becomes patented, published or otherwise part of the public domain other than by acts or omissions of John Hancock in contravention of this Agreement; or (ii) is disclosed to John Hancock by a third party, provided such Confidential Information line and party from Abbott, its Affiliates or Licensees; or (iii) prior to disclosure under the Agreement, was already in the possession of John Hancock, provided such Confidential Information was not obtained directly or indirectly from Abbott, its Affiliates or Licensees under an ongoing obligation of confidentiality; or (iv) is disclosed in a press release agreed to by both parties under Section 10.3 below.
- party shall make any statement to the public regarding the execution and/or any other aspect of the subject matter of this Agreement and John Hancock shall not make any statement to the public regarding any work under the Research Program; provided that, Abbott may make statements to the public regarding work done under the Research Program (without reference to or mention of John Hancock) and the commercialization of any Products resulting therefrom in accordance with its standard business practices. John Hancock and Abbott shall not disclose any

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terms or conditions of this Agreement to any third party without the prior consent of the other party, except as set forth above in this Section 10.3 or as required by applicable law, regulation or court order. The parties agree not to issue a press release announcing the execution of this Agreement.

ARTICLE 11 TERM AND TERMINATION

- Expiration. This Agreement shall expire upon satisfaction of Abbott's obligations to pay royalties under Section 7.2 and all other amounts under this Agreement.
- 11.2 Termination: Material Breach. It is the parties' express intent that consideration shall be given to remedying any breach of this Agreement through the payment of monetary damages or such other legal or equitable remedies as shall be appropriate under the circumstances and that there shall only be a limited right to terminate this Agreement under the following circumstances.
 - In the event that the court, in accordance with the procedures set forth in (a) Section 16.2, has issued a ruling that John Hancock has breached its obligation under Section 3.1 of this Agreement (obligation to make payments), and such ruling specified the actions to be taken by John Hancock on account of such breach, and John Hancock has failed to comply with the terms of such ruling within the time period specified therein for compliance and the time for any appeal has expired without the submission of an appeal, then, in addition to all other rights available to Abbott under law and equity, including its right to enforce such ruling in court, Abbott shall have the right to terminate the Agreement as a result of John Hancock's failure to abide by the terms of this Agreement and such
 - In the event that the court, in accordance with the procedures set forth in Section 16.2, has issued a ruling that Abbott has breached a material obligation under this Agreement, and such ruling specified the actions to be taken by Abbott on account of such breach, and Abbott has failed to comply with the terms of such ruling within the time period specified therein for compliance and the time for any appeal has expired without the submission of an appeal, then, in addition to all other rights available to John Hancock under law and equity, including its right to enforce such ruling in court, John Hancock shall have the right to terminate the Agreement, each as a result of Abbott's failure to abide by the terms of this Agreement and such ruling.

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11.3 Effect of Expiration or Termination. Expiration or, if applicable, termination of this Agreement shall not relieve the parties of any obligation accruing prior to such expiration or termination. The provisions of Articles 8 (Royalty Reports and Accounting), 10 (Confidentiality), 11 (Term and Termination), 12 (Warranties and Indemnification) and 16 (Miscellaneous) shall survive the expiration or termination of this Agreement.

ARTICLE 12 WARRANTIES AND INDEMNITY

- 12.1 John Hancock Representations and Warranties. John Hancock represents and warrants to Abbott that as of the Execution Date:
 - The execution and delivery of this Agreement and the performance of the transactions contemplated hereby have been duly authorized by all appropriate John Hancock corporate action. This Agreement constitutes John Hancock's valid and binding legal obligation, enforceable against it in accordance with its terms.
 - The performance by John Hancock of any of the terms and conditions of **(b)** this Agreement on its part to be performed does not and will not constitute a breach or violation of its organizational documents or any other material agreement or understanding, written or oral, to which it is a party or any law, statute, rule or regulation by which it is bound.
 - No consent, approval, license or authorization of, or designation, (c) declaration or filing with, any court or governmental authority is or will be required on the part of John Hancock in connection with the execution, delivery and performance by John Hancock of this Agreement or any other agreements or instruments executed and delivered by John Hancock in connection herewith or therewith, including, without limitation, any filings pursuant to federal or state securities laws or pursuant to any federal anti-
 - Neither John Hancock nor any person acting on its behalf (i) has taken or will take any action which would subject this Agreement and the consummation of the transactions contemplated hereby to the registration or qualification requirements of any federal or state securities laws, (ii) has dealt with any broker, finder or other similar person in connection with the transactions contemplated by this Agreement or (iii) is under any obligation to pay any broker's fee, finder's fee or contmission in connection with such transactions.
- 12.2 Abbott Representations and Warranties. Abbott represents and warrants to John Hancock that as of the Execution Date:

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The execution and delivery of this Agreement and the performance of the transactions contemplated hereby have been duly authorized by all appropriate Abbott corporate action. This Agreement constitutes Abbott's valid and binding legal obligation, enforceable against it in accordance

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with its terms.

The performance by Abbott of any of the terms and conditions of this Agreement on its part to be performed does not and will not constitute a breach or violation of its organizational documents or any other agreement or understanding, written or oral, to which it is a party or any law, statute, rule or regulation by which it is bound.

- No consent, approval, license or authorization of, or designation, declaration or filing with, any court or governmental authority is or will be required on the part of Abbott in connection with the execution, delivery and performance by Abbott of this Agreement or any other agreements or instruments executed and delivered by Abbott in connection herewith or therewith, including, without limitation, any filings pursuant to federal or state securities laws or pursuant to any federal anti-trust laws, except those consents, approvals, licenses, authorizations, and other requirements imposed by governmental authorities (both U.S. and foreign) and such declarations and filings with governmental authorities (both U.S. and foreign) required in the normal course of pharmaceutical research, development, marketing and sale.
- Set forth on Exhibit 12.2(d) is the full name, chemical name, detailed description of the stage of development and current status, for each Program Compound. Set forth on Exhibit 1.6 in each Ammai Research Plan is a description of projected milestones and dates thereof, projected year of NDA filing, and projected costs to be incurred by Abbott during the Program Term, for each Program Compound. Such projections were prepared in good faith and with due care based on reasonable assumptions, and represent the reasonable estimate of Abbott based on information available as of the date of such projections and as of the date hereof; it being agreed that such projections do not constitute any warranty as to the future performance of the Program Compounds and that actual results may vary from such projections.
- Set forth on Exhibit 12.2(e) is a list and description of all domestic and . foreign patents, patent rights, patent applications and all patent applications that are in the process of being prepared that are owned by or registered in the name of Abbott, or of which Abbott is a licensee or in which Abbott has any right, which claim any of the Program Compounds (the "Patents"). Abbott solely owns all of the Patents, except as indicated

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on Exhibit 12.2(e). All of the material Patents have been duly filed in or issued by the United States Patent and Trademark Office or the equivalent foreign patent office identified on Exhibit 12.2(e), as the case may be, and have been properly maintained and renewed in accordance with all applicable laws and regulations. With respect to the Patents that it does not own, Abbott has an exclusive and valid license thereunder to develop, make, have made, use, market and sell (with the right to sublicense) the applicable Program Compounds in the entire Territory; provided however, (i) with respect to Italy, Abbott has such rights that are co-exclusive with Eissi Co. Ltd. for the Program Compound known as ABT-751 and (ii) with respect to Japan, Abbott has such rights that are co-exclusive with Taisho Pharmaceutical Co., Ltd. for the Program Compound known as ABT-773. Except with respect to the Preclinical Programs, to Abbott's knowledge, it is not necessary to obtain or license any patents, patent rights, inventions, copyrights, manufacturing processes, formulae, trade secrets, proprietary rights or know-how that it does not currently have in order to (i) develop, make, have made, use, market and sell the Program Compounds or (ii) conduct the Research Program as heretofore conducted and as proposed to be conducted. Except with respect to those Program Compounds that are the subject of In-License Agreements, the Program Compounds are owned exclusively by Abbott, free and clear of any liens or encumbrances of any other person and, to Abbott's knowledge, Abbott "does not require the consent of any other person to develop, make, have made, use, market and sell the Program Compounds.

Except as set forth in Exhibit 12.2(f) (but in any event, as of the Execution Date, such matters are not, and could not reasonably be expected to be material), Abbott has not received any communications alleging that, and no claim is pending or, to the knowledge of Abbott, threatened to the effect that, the operations of Abbott with respect to the Research Program or the Program Compounds infringe upon or conflict with (or will infringe or conflict with) the asserted rights of any other person under any domestic or foreign patent, trademark, service mark, copyright, trade secret, proprietary right or any other intellectual property right, and, except for the Preclinical Programs, there is no material basis known to Abbott for any such claim (whether or not pending or threatened). No claim is pending or, to the knowledge of Abbott, threatened to the effect that any of the Patents are invalid or unenforceable by Abbott, and there is no material basis known to Abbott for any such claim (whether or not pending or threatened). The publication of any material technical information with respect to the Program Compounds developed by and belonging to Abbott is subject to review and approval under Abbott's existing procedures.

(g) Except for the In-License Agreements and customary employment and consulting agreements with Abbott's employees and consultants, there are

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no outstanding options, licenses, or agreements of any idind relating to the Patents or any of the Program Compounds or the transactions contemplated by this Agreement, which license the Patents or any technical information developed in the course of the clinical development program to any third party to register, market or sell any of the Program Compounds or Products.

- (h) To the knowledge of Abbott with respect to the Research Program and each of the Program Compounds, Abbott is not now, and in performing its obligations has under will not be, in any way making an unlawful or wrongful use of any confidential information, know-how, or trade secrets of any other person.
- (i) Neither this Agreement nor any Exhibit to this Agreement (ancluding the compound reports attached as Exhibit 12.2(f) hereto (the "Compound Reports")) contains any untrue statement of material fact or omits to state any material fact necessary to make the statements contained herein or therein not misleading. There is no fact known to Abbott (other than generally available information concerning the pharmaceutical industry in general) as of the date of this Agreement that has not been disclosed in this Agreement or any Exhibit to this Agreement which has resulted in, or could reasonably be expected to result in, a material advense effect on the prospects or condition (including safety, efficacy, scientific viability or commercial) of the Research Program or any of the Program Compounds.
- (i) Neither Abbott nor any person acting on its behalf (i) has taken or will take any action which would subject this Agreement and the consummation of the transactions contemplated hereby to the registration or qualification requirements of any federal or state securities laws, (ii) has dealt with any broker, finder or other similar person in connection with the transactions contemplated by this Agreement or (iii) is under any obligation to pay any broker's fee, finder's fee or commission in connection with such transactions.
- (k) Other than generally publicized actions, proceedings or investigations concerning the pharmaceutical industry in general, there is no action, proceeding or investigation pending or, to the knowledge of Abbott, threatened which (i) questions the validity of this Agreement or any action taken or to be taken by Abbott pursuant thereto or (ii) which has resulted in, or could reasonably be expected to result in, a material adverse effect on the prospects or condition (including safety, efficacy, scientific viability or commercial) of the Research Program or any of the Program Compounds.

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- (i) With respect to the Research Program and each of the Program

 Compounds, Abbott has (and in the future will have) obtained, to the
 extent permitted by law, from each of its employees, consultants,

 Affiliates and Subcontractors an agreement that reasonably protects

 Abbott's interest in the Program Inventions, Program Compounds and
- (m) With respect to each Program Compound, since the date of its respective Compound Report, to the knowledge of Abbott, no condition, circumstance or fact has arisen (other than generally available information concerning the pharmaceutical industry in general) nor has Abbott made any change in the conduct of the Research Program which, individually or in the aggregate, has resulted in, or could reasonably be expect to result in, a material adverse effect on the prospects or condition (including safety, efficacy, scientific viability or commercial) of such Program Compounds.
- (n) Each In-License Agreement is valid, binding and in full force and effect, and there is no event which has occurred or exists, which constitutes or which, with notice and/or the passage of time, would constitute a material default or breach under any such contract by Abbott or, to Abbott's knowledge; any other party thereto, or would cause the acceleration of any obligation of any party thereto or give rise to any right of termination or cancellation thereof. Abbott has no reason to believe that the parties to each In-License Agreement will not fulfill their obligations thereunder in all material respects or that such parties do not have the right to grant the licenses granted thereunder. Abbott has no reason to believe that it will not fulfill its obligations under the In-License Agreements. Under the Fisai Agreement, neither Abbott nor its Affiliates has the right to market, distribute or sell Products containing the Program Compound known as ABT-751 in the Eisai Territory (with the exception of Italy).
- 12.3 No Conflict. Abbott and John Hancock represent and warrant that this Agreement does not, and will not, conflict with any other right or obligation provided under any other agreement or obligation that Abbott or John Hancock has with or to any third party.
- 12.4 Compliance with Law. Each party represents and warrants to the other that it will comply with all applicable laws, regulations and guidelines in connection with its performance of its obligations and rights pursuant to this Agreement, including the regulations of the United States and any other relevant nation concerning any export or other transfer of technology, services or products.
- 12.5 No Other Waltanges. EACH PARTY TO THIS AGREEMENT AGREES THAT, EXCEPT FOR THE REPRESENTATIONS AND WARRANTIES CONTAINED IN THIS AGREEMENT, NEITHER PARTY MAKES ANY OTHER REPRESENTATIONS OR

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WARRANTIES, AND EACH HEREBY DISCLAIMS ANY OTHER REPRESENTATIONS OR WARRANTIES MADE BY ITSELF OR ANY OF ITS OFFICERS, DIRECTORS, EMPLOYEES, AGENTS, FINANCIAL AND LEGAL ADVISORS OR OTHER REPRESENTATIVES, WITH RESPECT TO THE EXECUTION AND DELIVERY OF THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT, NOTWITHSTANDING THE DELIVERY OR DISCLOSURE TO THE OTHER OR THE OTHER'S REPRESENTATIVES OF ANY DOCUMENTATION OR OTHER INFORMATION WITH RESPECT TO ANY ONE OR MORE OF THE FOREGOING.

- 12.6 General Indemnification of John Hancock. Abbott shall indemnify and hold John Hancock and its Affiliates, agents, directors and employees harmless, and hereby forever releases and discharges John Hancock and its Affiliates, agents, directors and employees, from and against all Losses related to or arising out of, directly or indirectly, (1) any negligence, recklessness or intentional misconduct of Abbott or its Affiliates, agents, directors, employees. Subcontractors, licensees (including Licensees) or sublicensees in connection with the Research Program, Program Compounds or Products, or (ii) any manufacture, use, storage, distribution or sale of the Program Compounds or Products by anyone, including without limitation all Losses related to any personal injury or death, or (iii) any breach by Abbott of its representations, warranties or obligations hereunder, or (iv) the consummation of the transactions contemplated hereby, except, in each case, to the extent any such Losses are the result of (A) any breach by John Hancock of its representations, symmatties or obligations hereunder, or (B) any negligence, recklessness, or intentional misconduct by John Hancock or its Affiliates, agents, directors, employees. . .: 化结合物 经债务 机电路
- 12.7 Indemnification Relating to Certain In-Licensed Compounds. Abbott shall indemnify and hold John Hancock and its Affiliates, agents, directors and employees harmless, and hereby forever releases and discharges John Hancock and its Affiliates, agents, directors and employees, from and against all Losses to the extent related to or arising out of, directly or indirectly, the fact that Abbott's rights in the Program Compounds known as ABT-773, ABT-492 and ABT-751 and the Patents and other patent rights, copyrights, trade secret rights and other intellectual property rights related thereto arise from the Taisho Agreement, the Wakunaga Agreement or the Eisai Agreement respectively, rather than being owned by Abbott as with the other Program Compounds. Accordingly, by way of example and without limiting the foregoing, Abbott's indemnification obligation under this Section 12.7 will arise upon (i) any impairment of Abbott's ability to perform its obligations under this Agreement in the entire Territory as a result of Abbott's rights to the Program Compounds known as ABT-773, ABT-442 and ABT-751 arising from the Taisho Agreement, Wakunaga Agreement and the Eisai Agreement, respectively or (ii) a breach by Abbott or any other person of any of the In-License Agreements; except, in each case, to the extent any such Losses are the result of (A) any breach by John Hancock of its representations, warranties or obligations hereunder, or (B) any negligence, recklessness, or intentional misconduct by John Hancock or its Affiliates, agents, directors, employees.
- 12.8 Procedure. If John Hancock or any of its Affiliates, agents, directors or employees (each, an "Indemnitee") intends to claim indemnification under this Article 12, it shall

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promptly notify Abbott (the "Indemnitor") of any Loss or action in respect of which the Indemnites intends to claim such indemnification, and the Indemnitor shall have the right to participate in, and, to the extent the indemnitor so desires, to assume the defense thereof with counsel selected by the Indemnitor; provided, however, that an Indemnitee shall have the right to retain its own counsel, with the fees and expenses of such counsel to be paid by the Indemnitor. if representation of such Indemnitee by the counsel retained by the indemnitor would be inappropriate due to actual or potential differing interests between such Indemnitee and any other party represented by such counsel in such proceedings. The indemnity obligation in this Article 12 shall not apply to amounts paid in settlement of any loss, claim, damage, liability or action if such settlement is effected without the consent of the Indemnitor, which consent shall not be withheld unreasonably or delayed. The failure to deliver notice to the Indemnitor within a reasonable time after the commencement of any such action, if materially prejudicial to its ability to defend such action, shall relieve the Indemnitor of any liability to the Indemnitee under this Article 12 only to the extent arising from the tardiness or absence of such notice, but the omission so to deliver notice to the Indemnitor will not relieve it of any liability that it may have to any indemnitee otherwise than under this Article 12. The Indemnitee shall cooperate fully with the Indemnitor and its legal representatives in the investigation of any action, claim or liability covered by indemnification under this Article 12, at the expense of the Indemnitor.

12.9 <u>Insurance</u>. Abbott shall at its expense maintain, through self-insurance or otherwise; products hisbility insurance with respect to the development, manufacture, sale and use of Products and Program Compounds in such amounts and on such terms as Abbott customarily maintains with respect to its other similar products. Abbott shall maintain such insurance for so long as it continues to develop, manufacture or sell any Products or Program Compounds, and thereafter for so long as Abbott customarily currently maintains such insurance.

12.10 Acknowledgment. Abbott and John Hancock acknowledge that Abbott has not delivered or disclosed the contents of any of the In-License Agreements to John Hancock.

ARTICLE 13 FORCE MAJEURE

Neither party shall be held liable or responsible to the other party nor be deemed to have defaulted under or breached this Agreement for failure or delay in fulfilling or performing any term of this Agreement when such failure or delay is caused by or results from causes beyond the reasonable control of the affected party including but not limited to fire, floods, embargoes, war, acts of war (whether war be declared or not), insurrections, riots, civil commotions, strikes, lockouts or other labor disturbances, acts of God or acts, omission or delays in acting by any governmental authority; provided that such affected party shall provide the other party with prompt notice of the circumstances surrounding such a material failure or delay, after which the parties will amend this Agreement upon terms and conditions that are mutually agreeable to equitably account to the party that does not so fail or delay.

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ARTICLE 14 ASSIGNMENT

Except as expressly provided hereunder, this Agreement may not be assigned or otherwise transferred, not may any right or obligations hereunder be assigned of transferred by either party without the consent of the other party; and, in addition, both parties acknowledge and agree that the obligations of Abbott hereunder are personal to Abbott and that Abbott is uniquely qualified to perform them; provided, however, that either party shall be obligated to assign this Agreement and its rights and obligations hereunder in connection with the transfer or sale of all or substantially all of its business, or in the event of its merger or consolidation or change in control or similar transaction and in such event such party shall cause its successor or transferee in such transaction to assume all of the obligations of such party. Any permitted assignee shall assume all obligations of its assignor under this Agreement. Notwithstanding the foregoing, John Hancock shall have the right to assign its rights (but not its obligation to make payments under Section 3.1) in whole or in part (provided that, any assignment in part shall mean an assignment of a pro rata share of the entirety of John Hancock's rights hereunder) without Abbott's consent (and following any such assignment all references to John Hancock herein shall include any such assignee), provided that: (i) each assignee of such rights must be a bank, insurance company or other institutional investor; (ii) there shall be no greater than five (5) assignees, (iii) if any such assignee is located outside the United States John Hancock shall notify Abbott at least sixty (60) days in advance, (iv) if any claim arises with respect to Abbott's failure to make payments, then during the term of the Research Program (but in any event not longer than four years from the date hereof), any such claim must be brought by John Hancock, and not an assignee. In soliciting potential assignees for such right to payments, John Hancock shall not disclose any Confidential Information hereunder to more than ten (10) potential assignees. Any potential assignee to whom John Hancock discloses Confidential Information must have executed a confidentiality agreement no less stringent than Article 10 hereof. Furthermore, if John Hancock plans to exercise its right of assignment hereunder, John Hancock shall first notify Abbott of such plans in writing. Abbott shall have the first right to negotiate the purchase of any such assignment rights. If within fifteen (15) days after receipt of such notice the parties have not agreed upon the principal terms of such arrangement or if within forty-five (45) days after receipt of such notice the parties have not executed a final written agreement reflecting such arrangement, then John Hancock shall have no further obligations to Abbott with respect to such first right of negotiation.

ARTICLE 15 SEVERABILITY

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Each party hereby agrees that it does not intend its execution and delivery hereof or its performance hereunder to violate any public policy, statutory or common laws, rules, regulations, treaty or decision of any government agency or executive body thereof of any country or community or association of countries. If and to the extent any term or provision of this Agreement is held to be invalid, illegal or unenforceable by a court or other governmental

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authority of competent jurisdiction, such invalidity, illegality or unenforceability shall not affect any other term or provision of this Agreement, which shall remain in full force and effect. The holding of a term or provision to be invalid, illegal or unenforceable in a jurisdiction shall not have any effect on the application of the term or provision in any other jurisdiction.

ARTICLE 16 MISCELLANEOUS

16.1 Notices. Any consent, notice or report required or permitted to be given or made under this Agreement by one of the parties hereto to the other shall be in writing, delivered personally or by facsimile (and promptly confirmed by personal delivery, U.S. first class mail or courier), U.S. first class mail or courier, postage prepared (where applicable), addressed to such other party at its address indicated below, or to such other address as the addressee shall have last furnished in writing to the addressor and (except as otherwise provided in this Agreement) shall be effective upon receipt by the addressee.

If to John Hancock: John Hancock Life Insurance Company

200 Clarendon Street, T-57

Boston, MA 02117

Attention: Bond & Corporate Finance Group

Telephone: 617-572-9624 ... Fax: 617-572-1628.

copy to: John Hancock Life Insurance Company

200 Clarendon Street, T-50

Boston, MA 02117

Attention: Investment Law Division
Telephone: 617-572-9205
Fax: 617-572-9268

and, if it relates to making or not making a royalty payment or Milestone Payment hereunder,

copy to: John Hancock Life Insurance Company

200 Clarendon Street

Boston, MA 02117 Attention: Manager, Investment Accounting Division, B-3

Fex: 617-572-0628

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Abbott Laboratories If to Abbott: Dept. 309. Bldg. AP30 200 Abbott Park Road Abbott Park, IL 60064-3537 Attention: President, Pharmaceutical Products Division Telephone: 847-938-6863 847-938-5383 FRIC General Counsel copy to: Abbott Laboratories Dept. 364, Bldg. AP6D 100 Abbott Park Road Abbott Park, IL 60064-6020 Telephone: 847-937-8905 847-938-5277 . Fax:

- 16.2 Applicable Law. The Agreement shall be governed by and construed in accordance with the internal laws of the State of Illinois. With respect to any action hereunder, Abbott, to the extent that it may lawfully do so, hereby consents to service of process, and to be sued, in the Commonwealth of Massachusetts and consents to the exclusive jurisdiction of the courts of the Commonwealth of Massachusetts and the United States District Court for the District of Massachuseus, as well as to the jurisdiction of all courts to which an appeal may be taken from such courts, for the purpose of any suit, action or other proceeding axising out of any of its obligations hereunder or thereunder or with respect to the transactions contemplated hereby or thereby, and expressly waives any and all objections it may have as to venue in any such courts. Abbott further agrees that a summons and complaint commencing an action or proceeding in any of such courts shall be properly served and shall confer personal jurisdiction if served personally or by certified mail to it at its address for notices as provided in this Agreement or as otherwise provided under the laws of the Commonwealth of Massachusetts. THE PARTIES EACH IRREVOCABLY WAIVE ALL RIGHT TO A TRIAL BY JURY IN ANY SUIT, ACTION OR OTHER PROCEEDING INSTITUTED BY OR AGAINST IT IN RESPECT OF ITS OBLIGATIONS HEREUNDER OR THEREUNDER OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY.
- 16.3 <u>Entire Agreement.</u> This Agreement contains the entire understanding of the parties with respect to the subject matter hereof. All express or implied agreements and understandings, either oral or written, with respect to the subject matter hereof heretofore made are expressly merged in and made a part of this Agreement. This Agreement may be amended, or any term hereof modified, only by a written instrument duly executed by both parties hereto.
- 16.4 <u>Headings.</u> The captions to the several Articles and Sections hereof are not a part of this Agreement, but are merely guides or labels to assist in locating and reading the several Articles and Sections hereof.

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- 16.5 Independent Contractors. It is expressly agreed that John Hancock and Abbott shall be independent contractors and that the relationship between the two parties shall not constitute a partnership, joint venture or agency. Neither John Hancock nor Abbott shall have the authority to make any statements, representations or commitments of any kind, or to take any action, which shall be binding on the other, without the prior written consent of the other party to do so.
- 16.6 Performance By Affiliates, Licensees and Subcontractors. The parties recognize that Abbott may carry out certain obligations under this Agreement through performance by its Affiliates, Licensees and Subcommisctors (but in no event shall that relieve Abbott of any of its obligations hereunder). Abbott guarantees that the activities of its Affiliates, Licensees and Subcontractors under this Agreement shall comply with this Agreement.
- 16.7 <u>Dispute Resolution</u>. The parties shall attempt to amicably resolve disputes arising between them regarding the validity, construction, enforceability or performance of the terms of this Agreement, and any differences or disputes in the interpretation of the rights, obligations, liabilities and/or remedles bereunder, which have been identified in a written notice from one party to the other, by good faith settlement discussions between the President of Abbott's Pharmaceutical Products Division and a Managing Director of John Hancock or his designee. The parties agree that, prior to filing any lawsuit regarding any dispute that arises in connection with this Agreement (with the exception of any action demanding a preliminary injunction), such representatives shall meet and attempt to amicably resolve such dispute within thirty (30) days after the receipt of such written notice,
- 16.8 Waiver. The waiver by either party hereto of any right hereunder or the failure to perform or of a breach by the other party shall not be deemed a waiver of any other right hereunder or of any other breach or failure by said other party whether of a similar nature or otherwise.
- 16.9 Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

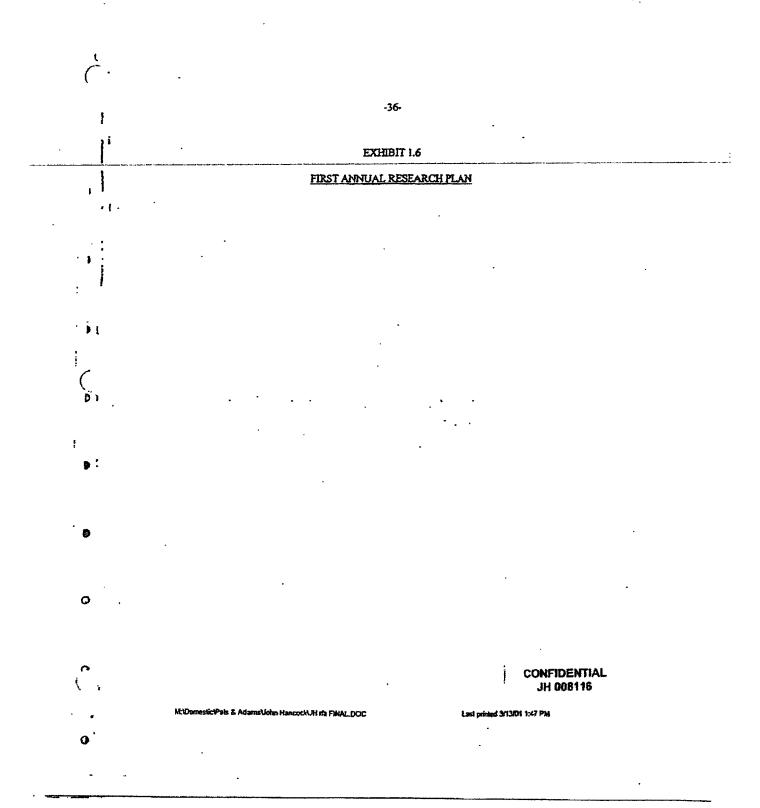
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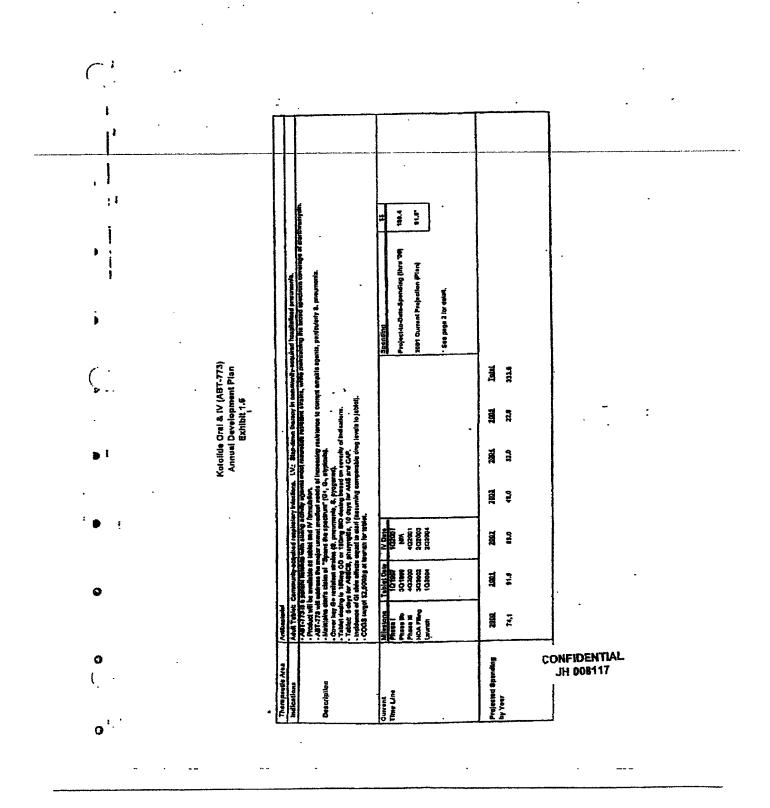
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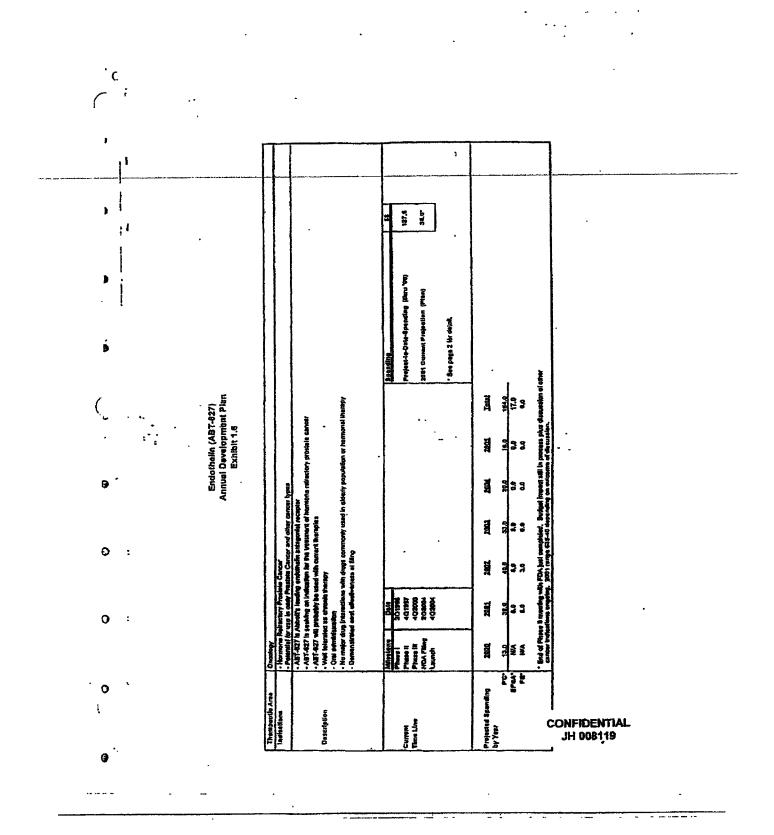
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]'		ve executed this Agreement as of the date first
	set forth above.	
, l	JOHN HANCOCK LIFE INSURANCE COMPANY	ABBOTT LABORATORIES
	By: Stephen J. Blewin	By: 4/13 HUL Name: Jeffrey M. Leiden, Ph.D., M.D.
	Title: Managing Director Date: March 13, 2001	Title: Executive Vice President, Pharmaceuticals and Chief Scientific Officer Date: March 13, 2001
Property of	JOHN HANCOCK VARIABLE LIFE INSURANCE COMPANY By: By:	
•: ·	Name: Stephen J. Blewitt Title: Authorized Signatory Date: March 13, 2001	•
3 :	INVESTORS PARTNER LIFE INSURANCE COMPANY By: Heale Blent	
∌ :	Name: Stephen J. Blewin Title: Authorized Signatory	
)	Date: March 13, 2001	CONFIDENTIAL JH 008115
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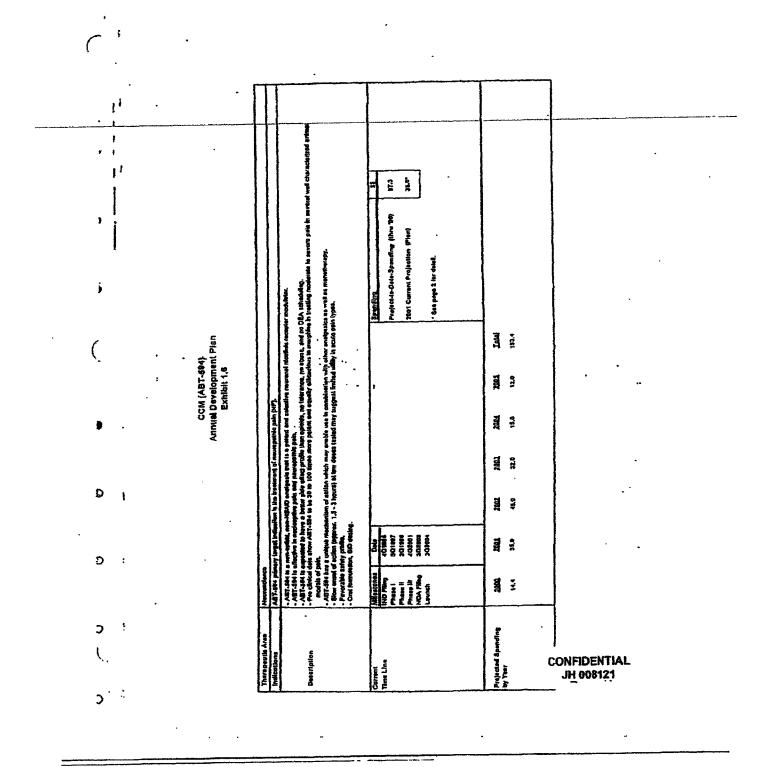


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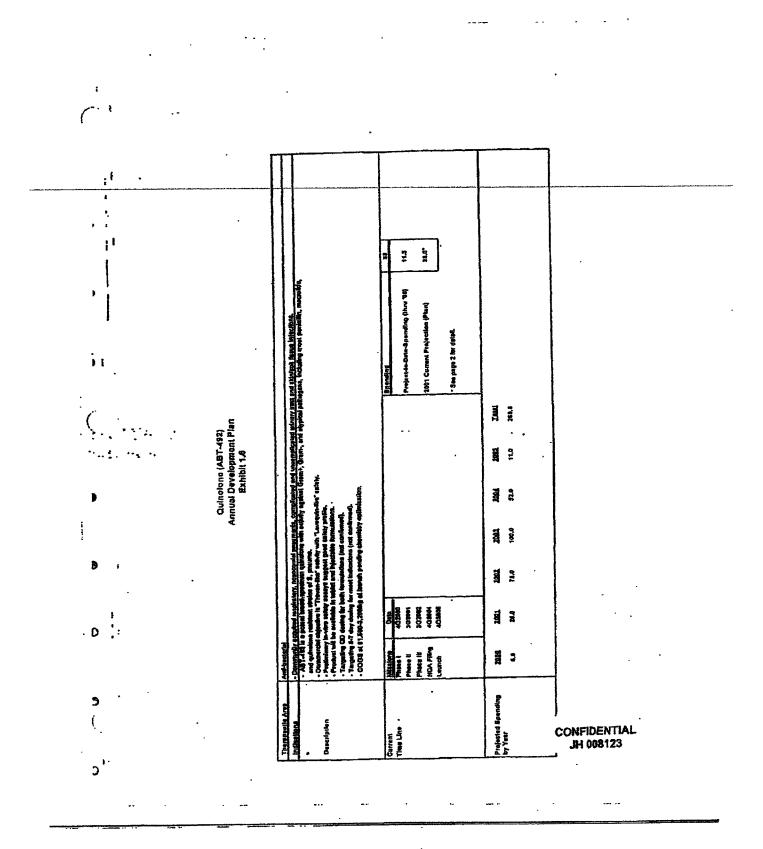


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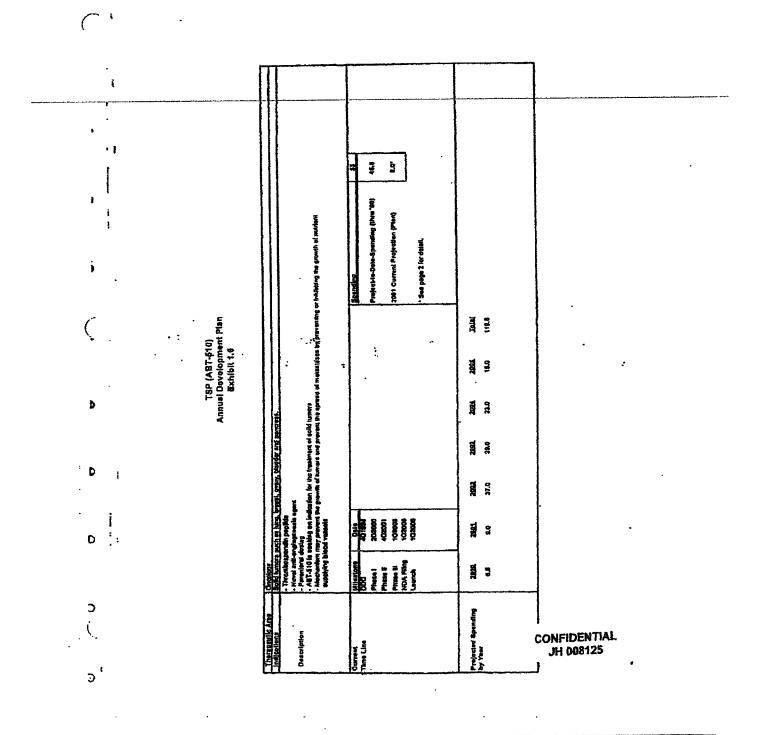
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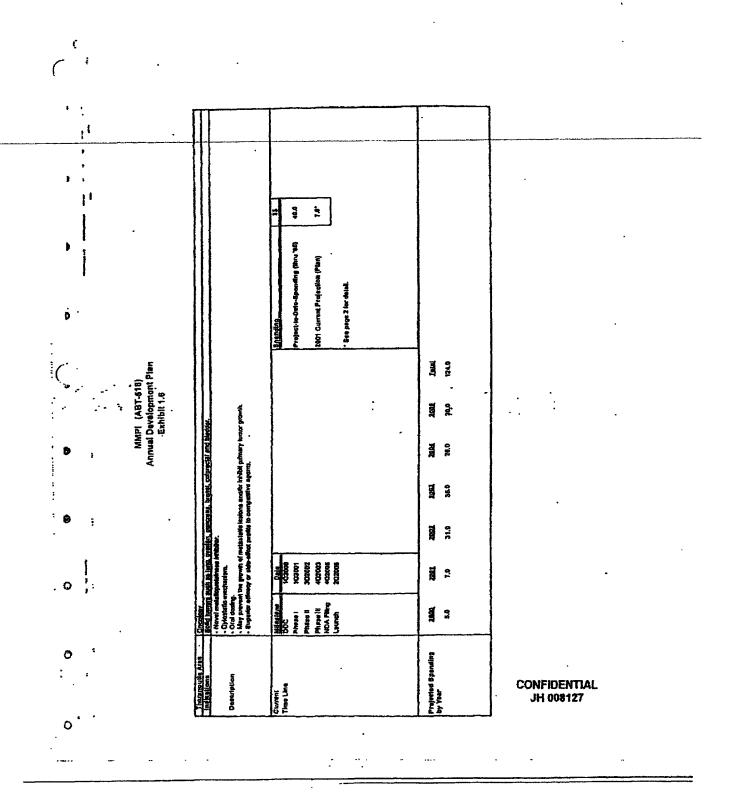


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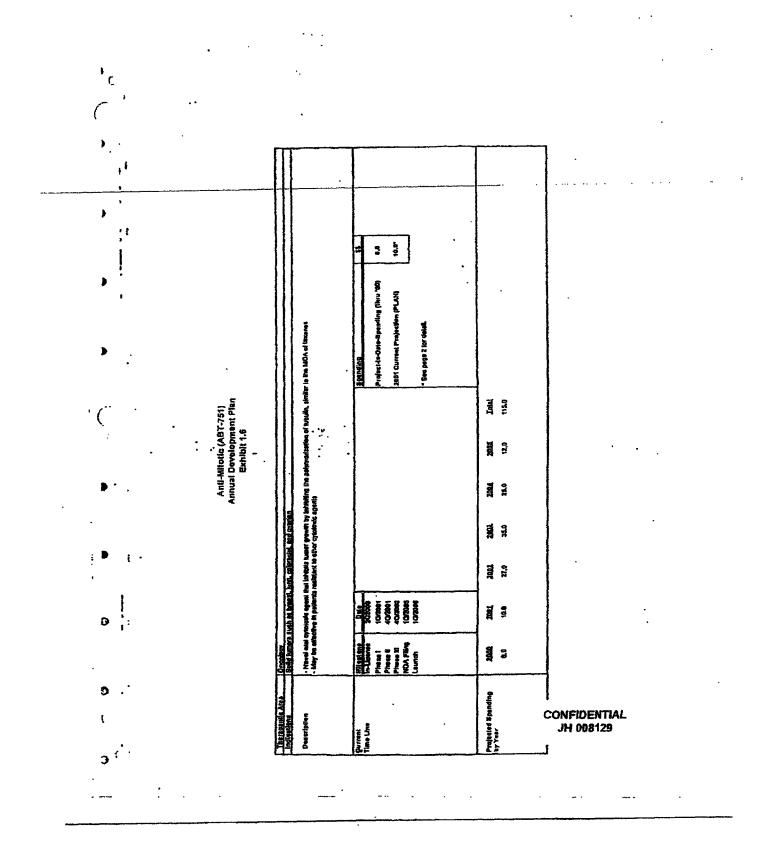


Hendricks Deposition Exhibit 7 P's Exhibit 32 PART 2

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FTI (ABT-xxx)
Annual Development Plan
Exhibit 1,6

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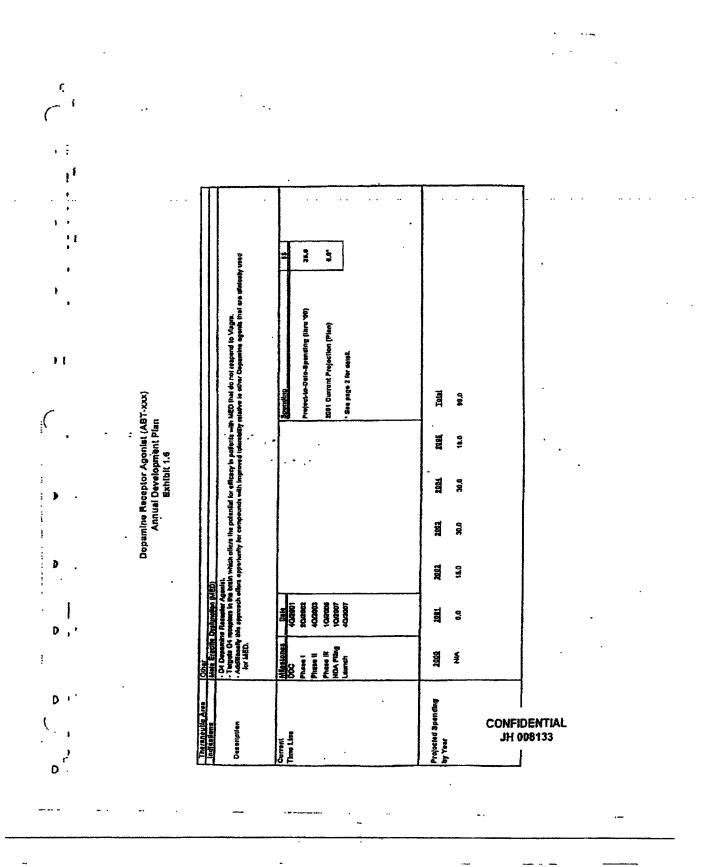
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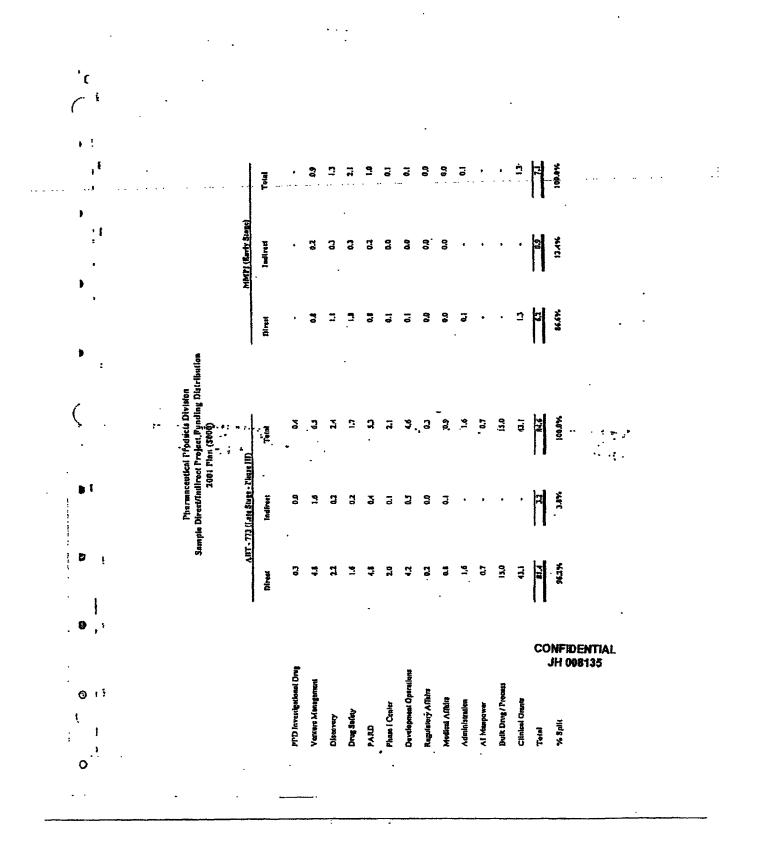
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	Professor Status			Maior Davelonn	Clinical Program	Phue 1)	Phase-I Canter	Venture	Date Me		Chemistry, Ma	Formula	Drug Safety Support	Drug Sa	Other Sunnert Costs	Discovery	Medica		ON	 F	DENTIA 108134

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Pharmacentical Products Division Sample Direct/Indirect Rate & Readcount Distribution 2001 Pinu

Rates	Data Management		Texicology/Pathology	
Direct				
Payroll (Both PMP and Supv/Mgr)	6,577		5,277	
Office Supplies	53		51	
TÆE	26		84	
Scm/Ede	21		73	
Supplies	41		440	
Consultant	291		67	
Princing	73	•	4	
Clinical Tracking Costs	4,075			
Depreciation	1,0 31		258	
UNDX Based Support	3,453		92 1	
Utilities	Q			
Floorspace	579		1,479	
Housekeeping	23			
Other .	. 112	•	,	
Sub-Total Direct	16,416		9,042	
Indirect	• .			
Patents & Trademarks	225		388	
Corporate Indirect	697		949	
PPD Indirect (Mgmt.)	337		4,58	_
Department Overhead	396		5784	•
Other	46		62	
Sub-Total Indirect	1,761		2,441	
Total	18,177		11,483	
% Direct	98%		. 79%	
% Indirect	16%		21%	
Hendesunt:				
Direct Beadcount	123	88%	53	- 88%
Indirect Headcount	17	12%	7	12%
Total Headcount	148	•	60	
Rate	92.06	•	135.42	
Hours	1,608		1,600	
Annual Rute	147,296		216,672	
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EXHIBIT 1.17

Binztan Brunei 2, 3. 4. 5. 6. Cambodia People's Republic of China Republic of China (Taiwan) India 7. Indonesia 8. Japan 9. Democratic People's Republic of Korea (North Korea) 10. Republic of Korea Laos 11. 12. Macao Malaysia 13. 14. Mongolia 15. Myanmar 16. Nepal . Pakistan 17. 18. Papua New Guines 19. Philippines 20. Singapore 21. Sri Lanka **p** 1 22. Thailand 23. Vietnam Italy, co-exclusive rights with Abbott, unless Abbott exercises its rights under the terms of the Eissi Agreement to take an exclusive right to Italy. Ð i . o ,: CONFIDENTIAL JH 008137 Last printed 3/13/01 1:47 PM

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EXHIBIT 1.40

PROGRAM COMPOUNDS

In-License Agreement	Program Compound	Development Phas
	ABT-627 (Endothelin antagonist)	phase III
Taisho	ABT-773 (Ketolide antibiotic)	phase III
	ABT-594 (Cholinergic channel modulator)	late phase II
Wakunaga	ABT-492 (Quinolone antibiotic)	phase I
Eisai	ABT-751 (Antimisotic)	phase I
	ABT-510 (Thrombospondin peptide)	phase 1

Preclinical Programs:

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FTI Program

ED Program

ABT-518 (Matrix metalloproteinase inhibitor)

late preclinical phase I

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EXHIBIT 1.43

EXAMPLE OF PROGRAM RELATED COSTS FOR ONE PROGRAM COMPOUND

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		7	2001 KEY RATES	ATES					
		2000			2001			% Changa	
			Annual			Annual	Houdy	Total	Annua
	Rate	· Hours	Rate	Rate	Hours	Rate	Rate	Hours	Rate
Toxicology/Pathology - PMP/TMP	121.52	·	204 164		1,600	218.872	-	-4.8%	6.1%
Maiabolism/Mismacony Philipmin	144.75	Ī	231,800	141 64	1 850	233 706		30	% O
Comparative Medicine - PMP/TMP	115.60	٠	204.381	•	1,850	218,228		4.8%	5.8%
Strategic & Exploratory - PMP/TMP	121.52	1,680	204,154		1,600	277,696	42.8%	4.8%	36.0%
PHASE I CENTER Pharmacolimies 49K, pharmac	144 75	60	. 241 500	124 00	Ş	218 000	. 797 87	. ~	*
City Day MO 420 - DAG	· ·		200,1	2000	5 5	2000 OCC	e P	:	?
Ciin Res. Spec. 420-PMP/TMP	113.59	1,700	183,103	123.75	<u>, 7</u>	210,375	8.9%	ĒĒ	8.9%
Prod Dev - PMP, TMP	108.54	•	185.372	116.71	1.800	210.078	7.5%	•	7.5%
IDS - PMP, TMP	160.80	1,600	257,280		1,600	259,376		i	
DEV OPERATIONS Date Mgmt D433 - TMP/PMP	 80.09	•	144.064	92.08	1,600	147.296	2.2%		22.22
State - PMP/TMP.	97.76	1,800	175,960		1,800	178,380			1.4%
BAKGA RAIGA - PMP & TMP	125.50	1,800	200,800	200,800 - 134,49	1,600	215,184	7.2%	•	7.2%
DISCOVERY	137.65	1,800	247.770	247.770 - 142.91	1.800	257,238	3.6%	:	3,8%

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EXHIBIT 9.2

PAYMENT INSTRUCTIONS

Fleet Boston
ABA No. 011000390
Boston, Massachusetts 02110
Account of: John Hancock Life Insurance Co. Private Placement Collection Acct.
Account Number: 541-55417
On Order of: Abbout Laboratories -- Research Funding Agreement dated as of March 13, 2001

E-3233160

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Exhibit 12.2(d)

Further Information Regarding Program Compounds

COMPOUND	CHEMICAL NAME	CURRENT STAGE OF DEVELOPMENT
ABT-827 Endothelin antagonist	(2R,3R,45)-4-(1,3-benzodioxol-5- yl)-1-[2-(dibutylamino)-2- oxoettyl]-2-(4-methoxyphenyl)-3-	Phase M
ABT-773	pyrrolidinecarboxylic acid (3aS,4R,7R,9R,10R,11S,13R,15R	Phose M
Ketolide antibiotic	.15aR)-4-ethyl-3a,7,8,11,13,15- hexamethyl-2,6,8,14-tetrsoxo-11- ff(2E)-3-(3-outhothyl)-2-	F INDE SE
	propenyljoxy)tetradecahydro-2H- oxacyclotetradecino[4,3-	
	dI1,3)oxazol-10-yl 3,4,6-trideoxy- 3-(dimethylemino)D-xylo- hexopyranoside	
A8T-594 Cholinergic channel modulator	(2R)-azetidinylmethyl 6-chloro-3- pyridinyl ether hydrochloride	Phase ii
ABT-492 Quinoline Antibiotic	potassium 1-(6-amino-3,6- dilluoro-2-pyridinyi)-8-chioro-6- lluoro-7-(3-hydroxy-1-azetidinyi)- 4-oxo-1,4-dinydro-3- quinodinecarboxytete	Phase I
ABT-518 Mautx metalloproteinase inhibitor	(1S)-1-[(4S)-2,2-dimethyl-1,3-diccolan-4-yil-2-((4-[4- (trillucromethoxy)phenoxy)phenyti sullonyl)ethyl(hydroxy)tomamide	Phase (
ABT-751 Antimitotic	N-[2-(4-hydroxyanilino)-3- pyridinyl[-4- methoxybenzenesulfonamide	Phase i
arnesykransferase inhibitor	N.A.	Pre-Clinical Program .
Dopamine Receptor Agonist for Erectile Dysfunction	N.A.	Pre-Clinical Program

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EXHIBIT 12.2(e)

Certain Patent Information

ABT-627

COUNTRY	FILING DATE	PATENT NUMBER	STATUS	EXP. DATE
Australia	08/04/1995	711832	Issued	08/04/2015
Brazii	02/12/1997		Pending	
Canada	06/04/1995		Pending	
EP*	08/04/1995		Pending	
Hong Kong	07/15/1998		Pending	
isreel	08/10/1995		Pending	
Japan !	08/04/1995		Pending	
Korsa	08/04/1995	1	Pending	-1
Mexico	08/04/1995		Pending	
Philippines	08/17/1995	1	Pending	
USA	05/30/1995	5,767,144	Issued	06/16/2015

*Europe: Austria, Belgium, Great Britain, Denmark, France, Germany, Greece, Ireland, Indy,
Luxambourg, Netherlands, Portugal, Spain, Sweden, Switzerland

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Exhibit 12.2(e) (Cont'd)

ABT-773 (Subject to Taisho Agreement)

COUNTRY	FILING DATE	PATENT NUMBER	STATUS	EXP. DATE
Argentina	09/03/1997		Pending	
Australie	09/02/1997		Pending	
Brazil	05/13/1997		Pending	•
Brazil	09/02/1997		Pending	
Bulgaria	09/02/1997		Pending	
Betarus	09/02/1997	1	Pending	
China	09/02/1997		Pending	
Chile	09/04/1997		Pending	
Canada	09/02/1997	1	Pending	
Columbia	09/02/1997	1	Pending	
Czech Republic	09/02/1997	 . 	Panding	
EP-	09/02/1997		Pending	
Guatemala	08/29/1997	1	Pending	
Hong Kong	09/02/1997		Pending	
Crostia .	09/03/1997		Pending	
Hungary	09/02/1997	1	Pending	
Indonesia	09/04/1997	i	Pending	
India	Pending-Black Box		Pending	
Israel	09/02/1997		Pending	
Japan	09/02/1997	1	Pending	
Копеа	09/02/1997	1	Pending	
Mexico	09/02/1997	1	Pending	
Malaysia	08/26/1997		Pending	
Norway	09/02/1997	1	Pending	

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Exhibit 12.2(e) (cont'd)

ABT-773 (comt'd) (Subject to Taisho Agreement)

COUNTRY	FILING DATE	PATENT NUMBER	STATUS	EXP. DATE
New Zealand	09/02/1997		Pending	
Philippines	09/02/1997		Pending	
Pakistan	10/13/1997	136010	Issued .	10/13/2013
Poland	09/02/1997		Pending	
Romania	09/02/1997		Pending	
Russia	09/02/1997		Pending	
South Africa	08/20/1997	97/7474	issued	08/20/2017
Singapore	09/02/1997		Pending	
Slovak Republic	09/02/1997		Pending	
Slovenia	09/02/1997	20023	issued	09/02/2017
Seudi Arabia	02/10/1998		Pending	
Inaland	09/03/1997	1	Pending	
Turkey	09/02/1997	TR 01127'B	Issued	09/02/2017
Taiwen	09/05/1997		Pending	
JA ,	09/02/1997	 	Pending	1
JSA	07/03/1997	5,866,549	Issued	. 09/04/2016
/ugoslavia	09/02/1997	 	Pending	

*Europe: Austria, Belgium, Great Britain, Denmark, France, Germany, Greece, Ireland, Italy, Luxembourg, Netherlands, Portugal, Spain, Sweden, Switzerland

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ABT-594

COUNTRY	FILING DATE	PATENT NUMBER	STATUS	EXP. DATE
Australia	10/08/1993	887017	Issued	10/18/2013
Brazil	04/30/1997		Pending	
Canada	10/08/1993	•	Pending	
EÞ•	10/08/1993		Pending	
Hong Kang	. 12/10/1998	1	Pending	
Israel	10/04/1993	107184	Issued	10/04/2013
Japan	10/06/1993	3098035	Issued	10/08/2013
Kores	10/08/1993	1	Pending	
Mexico	10/08/1993 -	1	Pending	
Philippines	10/07/1993		Pending	
USA	06/07/1995	5,948,793	Issued	09/07/2016

*Europe: Austria, Belgium, Great Britain, Denmark, France, Germany, Greece, Ireland, Italy, Luxembourg, Netherlands, Portugal, Spain, Sweden, Switzerland

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EXFIBIT 12.2(e) (Cont'd)

ABT-492

(Subject to Wakunaga Agreement)

COUNTRY	FILING DATE	PATENT NUMBER	STATUS	EXP. DATE
Australia	09/24/1999		Pending	
Brazil	11/29/1999		Pending	
Canada	12/06/1999		Pending	
China	10/22/1999	1258674A	Issued	
Hong Kong				
EP*	12/08/1999	0992501	Issued	
Hungary	11/23/1999	9904389	issued .	
Republic of Korea	08/29/2006	i		
Mexico	10/14/1999		Pending	
Russian Federation	05/25/2000		Pending	
USA	06/10/1999		Pending	
Japan	10/05/1999	2000-136191	Issued	

* Æurope: Austria, Belgium, Switzerland, Germany, Denmark, Spain, Finland, France, Great Britain, Greece, Ireland, Italy, Luxembourg, Monaco, Netherlands, Portugal, Sweden

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ABT-510

COUNTRY	FILING DATE	PATENT NUMBER	STATUS	EXP. DATE
Argentina	05/21/1999		Pending	
Australia	05/21/1999	· ·	Filing in Process	·
Brazi)	05/21/1999		Filing in Process	
Bulgaria	05/21/1999		Filing in Process	
China	05/21/1999		Filing in Process	1 .
Chile	05/20/1099		Pending	
Canada	05/21/1999		Filing in Process	
Columbie	05/21/1999	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	Pending	
Czech Republic	05/21/1999	i i	Filing in Process	1
EP*	05/21/1998	1	Filing in Process	
Hong Kong	05/21/1999	1	Filing in Process	
Hungary	05/21/1999	i	Pending	
India	05/21/1999	1	Filing in Process	
Israel	05/21/1999	<u> </u>	Filing in Process	
Japan	05/21/1999		Filing in Process	
Korea	05/21/1999		Filing in Process	1
Mexico	05/21/1999		Filing in Process	
Norway .	05/21/1999	 	Filing in Process	
New Zealand	05/21/1999		Filing in Process	
Philippines	06/21/1999	T	Pending	1
Poland	05/21/1898	Ť	Filling in Process	1
South Africa	05/21/1999 .		Filing in Process	
Slovak Republic	05/21/1999		Filing in Process	
Saudi Arabia	05/21/1999		Pending	T
Turkey	05/21/1999	 	Filing in Process	
Taiwan	05/21/1999	1	Pending	1
USA	05/21/1999		Pending	<u> </u>

*Europe: Austria, Belgium, Great Britain, Cyprus, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, Netherlands, Portugal, Romania, Slovenia, Spain, Sweden, Switzerland

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... ABT-518

COUNTRY	FILING DATE	PATENT	STATUS	EXP. DATE
Argentina	07/30/1998		Rending	
Australia	07/27/1998		Pending	
Brazil	07/27/1998		Pending	
Bulgaria	07/27/1998		Pending	
Chine	07/27/1998		Pending	
Chile	07/17/1998		Pending	
Canada	07/27/1998		Pending	
Columbia	07/29/1998		Pending	
Czech Republic	07/27/1998		Pending	
EP-	07/27/1998		Pending	
Hungary	07/27/1998		Pending	
Israel	07/27/1998		Pending	
Japan	07/27/1998		Pending	
Korea	07/27/1998		Pending	
Mexico	07/27/1998		Panding	
Norway	07/27/1998	1	Pending.	
New Zealand	07/27/1998		Pending	
Philippines .	07/27/1998		Pending	
Poland	07/27/1998		Pending	
South Africa	07/30/1998	98/6828	Issued	07/30/2918
Slovak Republic	07/27/1998		Pending	
Saudi Arabia	12/15/1998		Pending	
Turkey	07/27/1998	•	Pending	
Taiwan	07/31/1998		Pending	
USA	08/05/1998		Pending	

*Europe: Austria, Belgium, Great Britain, Denmark, France, Germany, Greece, Ireland, Italy, Luxembourg, Netherlands, Portugal, Spain, Sweden, Switzerland

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ABT-751 (Subject to Eisai Agreement)

COUNTRY	FILING DATE	PATENT	STATUS	EXP. DATE
000		NUMBER	i .	i
USA	DB/D8/1991	5,250,549	Issued	08/08/2011
000		5,292,758	į.	08/08/2011
Germany	08/07/1991	EP 472,053	Issued	08/07/2011
United Kingdom	08/07/1991	EP 472,053	Issued	06/07/2011
France	08/07/1991	EP 472,053	Issued	08/07/2011

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EXHIBIT 12.2(f)

COMMUNICATIONS

With respect to ABT-594, Abbott has received the following communications:

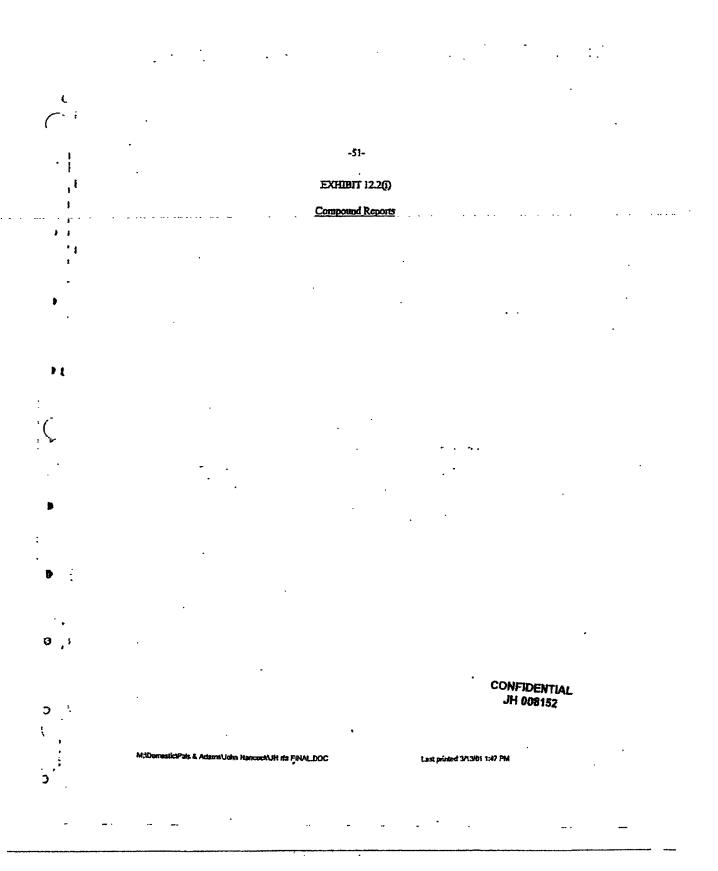
- Correspondence from Sibia Neurosciences, 505 Coast Blvd. South, Suite 300, La Jolla, CA 92037 (Sibia was acquired by Merck & Co., Inc. in August, 1999) including, most recently, a letter dated March 13, 1998.
- Correspondence from ICT Pharmaceuticals c/o Stadheim and Grear, Ltd., 400 North Michigan Ave., Chicago, IL 60611 including, most recently, a letter dated September 14, 2000

The Sibia and ICT correspondence each refer to their patents on research tools.

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ABT - 773

Descriptive Memorandum

February 2001

Abbott Laboratories

ABT-773

Opportunity Overview

ABT-773 pertains to a promising new class of antibiotics known as ketolides. ABT-773 is thely to have activity against resistant strains of bacteria and will, therefore, compete effectively against currently marketed antibiotics. The compound is currently in Phase I/III trials. Phase I/I clinical trials began in Q4, 2000. ABT-773 has an expected U.S. Issunch date in Q1, 2004. Ex-U.S. Issunches are projected in 2004 for Europe and Japan.

Product features such as high efficacy, activity against resistant strains of bacteria and convenience should enable it to compete against both Zithromax and never agents such as the quinolones. Dosing is expected to be once-a-day. A 5-day convenience pak at a competitive price will help maximize sales.

The US Market

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The overall antibiotic market in the U.S. reached \$8.9 billion in sales in 1999. The tab/cap segment is the largest; sales in 1999 were \$5.7 billion, The LV. and oral suspension segments are comparatively smaller; total sales topped \$2.1 and \$1.1 billion, respectively.

Tab/cap and oral suspension prescription volume had been declining 1-2% per year in the period of 1995-1998, due to more appropriate prescribing in the face of locreasing resistance. However, total tab/cap prescription volume recovered in 1999 and grew 6.3%. Even in the face of negative pressure on antibiotic use, dollar sales in the U.S. have continued to increase, particularly in the tab/cap market. This is due to the trend of replacing relatively low-cost generic agents with higher priced premium antibiotics. The market is willing to bear higher costs for agents that satisfy unmet needs. The I.V. market has grown slightly in terms of sales, also being driven targety by the replacement of generic agents with more costly harmeded apents.

Macrolides, largely fueled by the gains of Zithromax, have seen significant growth in terms of both prescriptions and sales. Zithromax prescriptions far outnumber those of other competitors, white its sales have nearly surpassed those of the sales leader, Cipro. Historically, quinolones saw relatively limited use for community respiratory bract infections (RTIs) because of poor Gram-positive coverage and sub-optimal adverse event profiles. Newer quinolones such as Levaquin have been successful in achieving more widespread use by virtue of its improved activity and adverse event profile. Levaquin currently accounts for approximately 30% of the quinolone market share. It is anticipated that recent quinolone introductions (Aveloc, Tequin) will build upon the RTI momentum established by Levaquin. The growth of the macrofide and quinolone classes has come largely at the expense of cephalosportus and generic agents such as erythromycin and penicitiin.

The following table shows 1999 tab/cap sales and prescriptions by class/product

	Sales				TRXs		
	Sales (\$140)	Share	CAGR	TRXs (MM)	Share	CAGR	
Penicillas	\$148.3	2.5%	-1.0%	52.5	25,7%	-54%	
Caphalosperins	5000.5	17.2%	-5.8%	57,9	17.1%	-3.5%	
Cettia	\$363.3	6.7%	1,0%	5.0	2.3%	-1,0%	
Cefel	\$188,7	1.2%	12.5%	2.7	1.2%	11.35	
Other	5406.3	7.1%	-14.7%	30,1	13.5%	-4.8%	
Ext. Seec. Macrolides	\$1,595.8	27.9%	19.5%	36.1	16.3%	20,8%	
Dinnin .	\$890.6	12.1%	6,1%	11,3	5.1%	1,2%	
Zithsomie	E801.1	15,8%	42.1%	24,4	11.0%	47.5%	
Other	\$14.0	0.2%	21.8%	0.4	9.2%	53.0%	
Ovinologes	\$1,522,1	28,4%	17.0%	24.8	18.8%	11,7%	
Cipro	5902.5	15.8%	1.3%	14.1	6.4%	5.1%	
Levacuin	5529.4	8.3%	MA	, 7.0	3.1%	MA	
Other	\$190.2	3,3%	-2.2%	3.0	1,3%	-8.4%	
Auptenie	5778.1	13.6%	17.8%	19.7	4.8%	11.8%	
Other Classes	1590.5	19.3%	-1.7%	50.4	27.3%	-1.7%	
TOTAL TABICAP	\$5,715,4	100.0%	8.5%	221,5	100.0%	8.1%	

Descriptive Memorandum; ABT - 773

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U.S. Market Projections

Resistance to antibiotics is likely to increase, creating opportunities for new agents with activity against resistance. Physicians will be urged to choose agents with an appropriate spectrum of activity relative to the intection being treated. Resistance will increasingly become part of the promotional max for emerging agents. The ability of an agent to treat resistant strains and the real or perceived ability to slow or prevent resistance development (mutation prevention concentration, low mutation frequency, structure-activity relationships and the resistance development (mutation prevention concentration, low mutation frequency, structure-activity relationships. relationships, etc) may confer competitive advantage to such agents.

- Quinolones, which historically have seen limited use in community-acquired respiratory infections, will become a significant class in this segment as new agents from this class are launched that specifically target RTIs.
- The market will become more competitive as new agents enter both the community segment (ketolides, quinolones) as well as the nosocomial segment (oxazolidinones, streptogramins, everninonycins, peplides, others).
- Several key branded antibiotics will lose patent exclusivity over the next three to five years... This may create an opportunity in the pediatric market as the top three pediatric brands (Augmentin, Cetzil, Zithromax) are among those losing patent exclusivity.

Antiviral influenza and cold therapeutics, as well as an increasing number of antibacterial vaccines may have a negative impact on antibiotic prescriptions.

: " The Ex-U.S. Market

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Ex-U.S. sales of antibiotics totaled \$11.7 billion in 1998. Tab/cap represents the largest segment, with sales of \$9.4 billion from 770 million total prescriptions. Total Rx growth has been flat, with a 1998-99 CAGR of 0.5%. The use of antibiotics is predicted to slowly decline due to more judicious use of antibacterials in the face of increasing bacterial resistance.

Ex-U.S., the quinolone class accounted for 8% of total tablcap market prescriptions (62 million Ros) and 13% of sales (\$1.2 billion). Ciprofloxacin is the market leader ex-U.S. with approximately 47% of the quinolone market Rxs (29 million Rxs) and 44% (\$530MM) of sales. Levolloxacin launched in many European markets in 1999/1999 and holds approximately 14% Rx share of the European quinolone market and 0.8% of the overall tablcap market. Although grepathoxacin and trovalloxacin also launched in some European countries in 1999, both products were recently pulled from the market due to liver in some European countries in 1964, oom products were recensy pused from the management of week toxicity and other complications. Mostificacin leunched in Germany in Q4 1998, but has not yet been approved in other markets. In Japan, levoflocacin leunched in 1994 and still commands a 65% Rx share of the quincione market and 10% of the Japanese tabl/cap market overall. Japan accounts for approximately 60% of ex-U.S. levoflocacin sales (\$370MM).

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Scientific Rationale for ABT-773

The likely profile of ABT-773 justifies further development:

-- A8T-773 pertains to a new class of antibiotics.

- Act -r rs persents to a new case or encourage.
 Good activity against resistant Gram + organisms, particularly macrolide-resistant S. pneumoniae.
 Convenience, safety, and tolerability profits competitive with Z-pak.
 Oral Suspension and I.V. forms enabling penetration into pediatrics and hospital segments.

Clinical Studies

The safety and efficacy of AST-773 in AECB were studied in a multi-center Phase II clinical trial conducted between January and April of 1999. Dosing repimens of 100mg TID and 200mg TID were tested. Of the 169 enrolled patients, 159 were clinically evaluable and 95 were both clinically and bacteriologically evaluable. The following chart summarizes the results.

Bacterial Eradication	ABT-773 100mg TID	ABT-773 200mg TID	Overall Eradication
S. pneumonine	100% (13/13)	90% (9/10)	96% (22/23)
M. catarrhalis	100% (6/6)	100% (7/7)	100% (13/13)
i i. influenzae	98% (23/24)	92% (24/26)	92% (47/50)
H. paraioflyenzae	100% (6/5)	88% [7/8]	93% (13/14)

Clinical Response	 A8T-773 100mg TID	ABT-773 * 200mg 110 *	• .
Cure	95% (77/80)	92% (73/79)	
Failure	4% (3/80)	8% (6/79)	

Clinical and Bacterial	ABT-773	ABT-773	
Response	100mg TID	200mg TrD	
Cure	96% (46/48)	94% (45/48)	
Failure	4% (2/48)	6% (3/48)	

Adverse Events	CTI-YEA OIT geoor	ABT-773 200mg 710	Oversi
Tasie Perversion	Se frind	876 (7885)	6.5% (1 1/16R)
Dianhea	11% (0/04)	4% (5003)	8% (147168)
House a	2% (2/949)	2% (2/88)	2% (41 69)
Phidominal Pain	1% (1664)	2% (25%)	2% (2/169)
Hendache	2% (2/64)	1% (1/45)	23. (38) Em)
Rash	256 (2464)	17 (1/2 G)	25. (2019)
Dyspnea	2% (3/84) .		1% (2/168)
Elev. Liver Funci, Test	176 (2004)	. 1% (146)	1% (20160)
Fever		2% (2/85)	1% (3/161)

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The safety and efficacy of AST-773 in AECB were studied in a multi-center Phase IIb clinical trial from October 1999 to March 2000. Doses of 150mg QD, 300mg QD, and 600mg QD were tested. Of the enrolled subjects, 342 were clinically evaluable, and 169 were both clinically and bacteriologically evaluable. The following chart summarizes the results.

Bacterial Eradication	• • • •	r-773 ng QD		T-773 mg QD		1-773 ng QD	Overali	Eradication
S.pneumoniae	83%	(10/12)	90%	(9/10)	100%	(13/13)	91%	(32/35)
M.catarrinals	80%	(8/10)	92%	(12/13)	91%	(10/11)	88%	(30/34)
H. influentae	94%	(17/16)	89%	(17/19)	83%	(19/23)	88%	(53/60)

Clinical Response Cure Failure	87% 13%	(98/113) (15/113)	90% 10%	(105/117) (12/117)	90% 10%	(101/112) (11/112)		
Clinical & Bacteriolo Cure	gical R 84%	esponse (42/50)	88%	(49/56)	94%	(59/63)		*****
Falure	16%	(8/50)	12%	(7/56)	6%	(4/63)		
Adverse Events								
Taste Perversion	5%	(4/84)	19%	(25/129)		(37/1 29)	17%	(66/384)
Dianhea	13%	(16/126)	12%	(15/129)	21%	(27/129)	15%	(58/384)
Nausea	7%	(9/125)	13%	(17/129)	30%	(38/129)	17%	(64/384)
Vomitina	2%	(3/126)	3%	(4/1229)	11%	(14/129)	5%	(21/384)
Nausea & Vonitino	D	(0/126)	<1%	· · · (1/129)	4%	(5/129)	2%	(5/384)
Abdominal Pain .	4%	(5/126)	4%	(5/129)	4%	(5/129)	4%	(15/384)

The safety and efficacy of ABT-773 in Acute Bacterial Sinusitis (ABS) were studied in a multi-center Phase to clinical trial conducted from October 1999 to March 2000. Dosing regimens of 150mg CID, 300mg CID, and 600mg CID were tested. Of the 292 enrolled subjects, 245 were clinically evaluable. The following chart summarizes the results.

Bacterial Eradication		BT-773 Omg QD		NB T-773 00mg QD		BT-773 Omg QD	E	Overall adjustion	
S.pneumonia		3/3		6/8		9/12		20/23 15/17	
M. catambalis H. influenzae		8/9 3/5		3/4 7/7		4/4 5/7		15/19	
S.aureus		1/1		1/1		3/4		5/6	
Clinical Response								<u> </u>	
Cure	89%	(79/79)	83%	(70/84)	71%	(59/83)			
Fallure	11%	(9/79)	17%	(14/84)	29%	(24/83)		•	
Adverse Events									
Taste Perversion	1%	16/97)	14%	(14/98)	27%	(26/97)	14%	(41/292)	
Diarrhea	6%	(6/97)	6%	(6/98)	17%	(16/97)	10%	(28/292)	
Nausea	3%	(3/97)	12%	(12/98)	26%	(25/97)	14%	(40/292)	
Vomitine	1%	(1/97)	5%	(6/98)	17%	(16/97)	8%	(23/292)	

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The safety and efficacy of ABT-773 in community-acquired pneumonia (CAP) were studied in a multi-center Phase th clinical trial from October 1999 to March 2000. Dosing regimens of 300mg QD and 600mg QD were tested. Of the 187 enrolled subjects, 1248 were clinically evaluable, and 15 were both clinically and bacteriologically evaluable. The following chart summarizes the results.

Bacterial	ABT-773		ABT-773		Over	
Eradication	300mg	QD	600mg	QD .	Erad	ication
S. pneumoniae	87%	(13/15) .	100%	(T/I)	. 91%	(20/22)
M. catarrhalis	75%	(6/8)	50%	(2/4)	67%	(8/12)
H. influenzae	100%	(9/9)	72%	(13/18)	81%	(22/27)
M. pneumoniae	93%	(13/14)	83%	114/15)	93%	(27/29)
C. pneumoniae	95%	(19/20)	79%	(19/24)	86%	(38/144)
L pneumonise	100%	(3/3)	100%	(2/2)	1007	
Clinical Respons	e					**********
Cure	92%	(72/78)	80%	(56/70)		
Failure	8%	(B/78)	20%	(14/70)		
Clinical & Bacteri	al Respon	SP				
Cure	92%	(54/59)	82%	(47,157)		
Failure	8%	(5/59)	18%	(10/57)		
Adverse Events						<u> </u>
Taste Perversion	. 17%	(16/95)	26%	(24/92)	21%	(40/187)
Disnhea	14%	(13/95)	18%	(17/92)	15%	(30/187)
Nausea ·	- 12%	(11/95)	22%	(20/92)	17%	(31/187)
V omitting	19%	(19/95)	15%	(14/92)	12%	(23/187)

Appendix 1

Key Emerging Competitors

Generic	Brand	Company	Class	Status
moxilloracin	Avelox	Bayer	Quinclone	Approved by FDA 12/13/00
gatifloxacin	Tequin	BMS	Quinolone	Approved by FDA 12/21/00
gemifloxacin	Factive	SKB	Quinolone	Filed NDA 12/15
T-3811	TBD	BMS/Toyama	Quinolone	Phase I
tellthromycin	Ketak	Ayendis	Ketolide	Filed NDA 3/00
linezolid	Zyvox	Pharmada	Oxazolidinone	Approved by FDA Q2 '00

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ABT - 627

Descriptive Memorandum

February 2001

Abbott Laboratories

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ABT-627

Opportunity Overview

ABT-627 is an orally bicavailable endothelin antagonist with a high selectivity for the Eta receptor. The endothelins (ET-1, ET-2, ET-3) are a family of 21 amino acid peptides first identified in 1988. Endothelin is a potent, long acting vasoconstrictor produced by vascular endothelist cells. The income biological effect of ET-1 are believed to be mediated principally through the Eta receptor. These include potent and uniquely sustained vasoconstriction of vascular smooth muscle, positive inotropy of myocardium, and the stimulation of cell profileration or the hypertrophy in vascular smooth muscle cells, cardiac myocytes, and fibroblasts.

In vitro studies in cultured calls have established that ABT-627 selectively binds to the Eta receptor, and that ABT-627 is a potent inhibitor of ET-1 binding to the Eta receptor.

Studies in cultured human prostate cancer cells and other cultured cells have shown that ABT-Studies in Cultured imman produce cascel case and done control cascel have been confirmed in viso by assessing the effect of ABT-627 on the ET-1 induced pressor response in rets. Further animal studies have suggested that oral ABT-627 may be effective in the treatment of congestive heart failure, pulmonary hypertension, hypertension, arterial restances, and myocardial infarction.

In addition to literature and animal models supporting the role of endothelin antagonists in cardiovascular indications, data exists supporting the role of the ET-1 cytokine as a pathogenic mediator in cancer.

The current role of endothelin in the manifestations of metastatic prostate cancer (PCA) and other tumors have yet to be fully defined. However, Abbott scientists and thought leaders have made multiple observations about endothefin biology which suggest that endothefin may play a role in the biology and pethophysiology of metastatic prostate disease and other metastatic disease such as ovarian, cervical and renal tumors

ABT-627 has successfully completed Phase It trials for PCA, and the results demonstrate efficacy ABT-627 has successfully completed Phase if these for PCA, and the results between the inhomona refractory PCA. The end of Phase if meeting with the FDA was held on October 4. The data from Phase if was very favorably received and "best package" comments were made. Past track designation and rolling NDA were granted. The FDA was conceptually in agreement with prefiminary design of Phase III clinicals and clinical end points to measure. While not a dictate, a second Phase III trial will likely be conducted to insure the best opportunity for a successful outcome. The Phase III program is scheduled to commence before year-end. It is expected that filling on ABT 627 will occur in US and ex-US 1Q 2004. The compound is also in Phase I trials for other cancer types. Phase it studies in other cancer types will commence in 2001. Other indications outside of oncology are also being considered, to optimize the commercial potential of this asset.

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The US Market

Prostate cancer is the most common cancer to strike nonsmoking men. The NCI estimates that there are over 1.7 million men living with prostate cancer in the U.S., and another 179,300 will be diagnosed in 1999. Nearly 80% of these cases are men over 60 years of age. It is estimated that the prevalence of prostate cancer is 380,000 in Western Europe and 45,000 in Japan. While the vast majority of these patients will be identified with potentially curable disease (25% in Stage I and 50% in Stage II) in the U.S., half of these patients will go undiagnosed until tate stage disease in W. Europe and Japan. The skewed distribution of diagnosed cases ex-U.S. is targety due to less aggressive prostate cancer screening programs compared to the U.S.

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Prostate cancer has seen few additions or innovations in treatment regimens in the past two decades. Treatments remain, in general, radical prostatectomy (RP) for localized disease, radical prostatectomy (RP) for localized disease, radical prostate receiving for localized disease. Patients receiving hormone therapy become refractory to this treatment after two to three years, although many will continue on hormone therapy. These hormone refractory prostate cancer (HRPCs) patients usually have a life expectancy of approximately 12 months, and no existing standard of care exists for treating these patients. No therapy has shown a significant impact on survival in these patients, although some chemotherapeutic regimens may offer promise.

There is a general trend toward using hormone therapy in earlier stage patients. In some centers, patients are receiving hormone therapy prior to surgery or radiation, in an alternat to impaose outcomes in these definitive treatments. Some thought leaders suggest that this earlier utilization has contributed to the overall mortality improvements in PCA. Studies are ongoing looking at different uses for hormone therapy, including intermittent therapy, in an attempt to improve outcomes and mitigate the morbidity associated with hormonal therapy.

Hormone Pherapy remains the mainstay of prostate cancer treatment in earlier stages. Chemotherapy, however, has gained additional attention in hormone retractory disease as new combinations and regimens offer the potential for greater therapeutic benefit with fewer side-effects. This trend will take several years before clinical trials are completed and community based oncologists adopt these regimens, so the current cytotoxic market in PCA is small.

The total dollar growth of this market has slowed as the two market leaders, Lupron (teuprolide/TAP) and Zoladex (goserella/Zeneca), have experienced increased price pressures from managed care and Medicare. About half the states are currently reimbursing these therapies at a least cost option (only paying for the cheapest alternative), putting downward price pressures on Lupron (55,500/yr) to match Zotadex's (54,500/yr) lower price point. Thus, US Lupron dollar sales declined between 1997, and 1998, despite an increase in patient volume.

Growth has also stagnated due to a lack of innovation in this hormone dominated category. There have been few therapeutic advances in the treatment of PCA in the last 5 years.

The only chemotherapy approved for use in HRPCa patients with pain is Novantrone (miloxentrone/immunex), but the marginal benefits this compound delivers is deeply undercut by its severe toxicilies and a lifetime cap on dose. Novantrone and steroids significantly reduced the metastatic pain in 40% of patients, but it does not appear to provide a survival advantage. metastatic pain in 40% of patients, but it does not appear to provide a survival accumulation. Novantone is dosed by i.v. infusion every 21 days, at a cost of 5560 per treatment, or an annual cost of accumum 58,000. Use of this agent is associated with significant side-effects, including myelosuppression, cardiac texticity (which limits dosing) and nausea. It is this negative side-effect profile that inhibits the use of this agent in more patients. Only about 4% of U.S. HRPCs patients received Novanirone therapy in 1998. Novanirone has not been approved ex-US.

Only about 17% of HRPCs patients received any chemothérapy in 1998. The most common drugs included estramustine, pacitized and etoposide. These drugs continue to be some of the most studied compounds in HRPCs ongoing research and represent the greatest short-term promise in the cyloloxic treatment of this advanced disease state.

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US Sales of Products to Treat Prostate Cancer

Product	1997 Dollar	1998 Dollar- Sales (MM)	% chng '97-'98
	Sales (MM)	OHIER (MAN)	31-30
Lupron (leuprolide/TAP)	\$650	5867	2.5%
Zolaciex (goserello/Zeneca)	233	296	27.3
Casodex (bicalutamide/Zeneca)	58	68	17,24
Bulken (flutamide/Schering)	74	67	-9.5
Novantrone (mitoxantrone/inumunex)	33	35	6.1
Nitendrone (nitetamide/Hoechst)	12	24	100
Emcyt (estramostne/Pharmacia/Upiohn)	8	14	75
Taxol (pacitiaxel/BMS)	4	8	100
VePesid (etoposide/BMS)	5	4	-20
Others	27	31	14.8
Total	1,104	1,214	10%

Source: Tandem Research and Price Probe

US Market Projections

Novembrane (mitoganirone/immunex) is currently the only product approved for the treatment of homone refractory PCA with pain. It currently falls short on the market needs in terms of efficacy and side-effect profile.

Attribute	Novantrone Profile (1997)
Dosing	I.V. Infusion cycles
Cost	Expensive, ~\$10,000/yr
Efficacy	Provides marginal improvements in quality of title
Reimbursed	Yes
Side-effects	Dose limiting toxicities
Promo Efforts	108 oncology reps
Targets	Oncologists

Several surveys indicate that there are over 100 compounds in preclinical and clinical development for prostate cancer and various solid tumors. The compounds listed in the appendix represent compounds listed appear to offer the greatest promise and/or potential for competition for ABT-627. However, since the most likely use of ABT-627 will be in combination with best therapy, it is difficult to define the extent of competitive threat that any of these compounds represent. In general, other cytostatic agents probably offer the greatest threat as a replacement for ABT-627. However, even other cytostatic agents may be combined to maximize the activity of the various mechanisms. the various mechanisms.

To date, PPD is aware of only one other endothelin receptor antagonist in development for cancer, from Yamanouchi, which began Phase I studies in the Fall of 1999. ABT-527 is still poised to be the first endothelin receptor antagonist to reach the market for oncology.

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There are relatively low hurdles for entry for a product to treat hormone refractory prostate—cancer, as no truly effective agents presently exists. Quality of life is paramount in this population, tollowed by improvements in disease progression and survival. Quality of life parameters could include an impact on painfor delay in pain onset or other performance type measures of daily activities. As all hormone therapy ultimately fails, a product that delays disease progression is needed.

Unmat Need	Angles (Angles & Pipeline Impact (Angles Angles Angles
Improvements in QOL	ABT-627's profile goal is to provide improvements to a patient's QOL or blunt a decrease in QOL. Cytoloxic agents rarely have significant positive impacts on QOL. Disproviosiatic agents may offer this benefit
Improvements in survival	It is unlikely that improvements in survival will be seen in our current trials Cytoloxic agents may offer a survival advantage, perhaps in corebination with ABT- 527
improvements in time to discuss progression	Cytostatic and cytotoxic agents offer the greatest promise for this benefit

Our objective is to provide physicians and patients with a novel option for the treatment of hormone refractory prostate cancer, distinguish ABT-627 from current cytotoxic therapies and encourage the treatment of advanced prostate cancer patients currently only receiving hormonal therapy.

ABT-627 will be positioned as a physician and patient-friendly choice for advanced prostate cancer patients who have failed hormone therapy. ABT-627's novel mechanism of action provides a delay in disease progression and a positive impact on QOL. The oral, QD dosing enhances compliance and minimizes disruptions to daily living.

The message will locus on 3 key attributes:

- Efficacy (defined as increased time to tumor progression) in a patient group with few options
- Improvements in quality of life
- · Convenience

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Physicians no longer have to choose between treating advanced prostate cancer patients and a patient's quality of life. ABT-627 has a positive impact on disease progression and symptoms associated with quality of life, without the baggage of significant side-effects or the inconvenience of parenteral administration associated with current therapy choices.

This message expresses the key features of the agent in terms of patient benefits, as opposed to emphasizing the scientific/clinical aspects. Since prostate cancer is a terminal disease with a retailvely long time for disease progression, the quality of a patient's life becomes even more critical. Especially in cancer treatment, where the therapy can often feel worse than the disease, the benefits that ABT-627 will bring, coupled with its benign sizie-effect profile, will have a significant impact on prostate cancer patients' lives.

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Clinical Studies

Phase It trials have been completed and the data are being analyzed. Preliminary results for the primary endpoint of time-to-disease progression and the secondary endpoint of time-to-PSA progression show that ABT-627 favorably delays both phenomena with a benign adverse event profile. The results are summarized below:

Disease Progression: The delay in median time-to-disease progression for evaluable subjects was improved by 52% and 43% for the 10mg and 2.5mg doses respectively over the placebe time-to-disease progression of 4.3 months.

Time-to-PSA increase: A 150% and 150% improvement in median time-to-PSA progression for evaluable subjects was observed for the 10 mg and 2.5mg doses respectively over the time-to-PSA progression placebo of 2 months.

Significant dose related decreases were observed in markers of metastatic bone disease.

Key Prostate Cancer Competitors

Product Con-	- Company	F.* 22,e	Protected NDA	Description	Articipated (master en
			Palet and		ABT-627 12 14
AG 3340	Agouron	198	2900	MAPI "	in combination with mineraldonal produles no. (Informatingue).
. Marinestat	Sullish Biotech	*	2901	M/P	Side-effect profile significantly worse than ABT-627. Probably minimal impact.
SV 101	Suges	網	5905	PDGFTK entagonist	Phase III is continuation with militariarane act to start in 1999. Uncertain impact.
AR 623	Aronex	•	20/05	Al- transvetimoic acid	IV liposomal four of ATRA. HRPCs blul began Havember 1996, Probably additive.
MGI 114	MGI Phoma	,	2002	Alkylelling agent	Lead compound in acyllubrones. Falsly toxic, Probably additive.
Lipesomel Encapsulated describicing	HeaPhann and P&UAlza and others	N	\$005	Anthracycline	Vertices forms being developed by various companies. Probably addition.
Saturaploțio :	ans		2000	Pladaum complex	Oral platieurs sealing witoxicilies estoperable to carbophelia. Probably addition.
Tarpi	BAS	R	2001	Zastanne .	le various combinations with other chame agents, Probably additive.
Tamiere	RPR	В	2001	taxane	in various combinations with other chemo agents. Probably additive.

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ABT-594

Descriptive Memorandum

February 2001

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ABT-594 Opportunity Overview

ABT-594 is a non-opicid, non-NSAID analgesic that is a polent and selective neuronal nicotinic receptor (NNR) agonist being studied for the treatment of pain. ABT-594 is 30 to 100-fold more potent and equally efficacious to morphine in several well-characterized animal models of pain. The preclinical side effect and dependency liability profile of ABT-594 is superior to that of morphine.

AST-594 is orally administered, and BiD dosing is expected. Its initial targeted indication is symptomatic treatment of diabetic neuropathic pain. It is covered by a composition of matter patent through June of 2016, and also has a use patent pending in analysis that would provide protection through September of 2017.

The IND filing of ABT-594 was in December 1998. A Phase IIb (dose ranging) trial began April 2000 in diabetic neuropalhic pain. A GoNo Go decision for clinical efficacy is expected June 2001. The NDA filing is expected in 3O2003. Development of additional formulations is under consideration (parenterat, transdermal, extended-release).

U.S. sales in 1999 for the key neuropathic pain treatments. Neuroniin, carbamazepine, and tricyclic antidepressants (TCAs), are estimated to be \$350 million. Neurontin sales account for tricyclic antidepressants (TCAs), are estimated to be \$350 million. Neurontin sates account for the bulk of this, with an estimated 40% of this anticolleptic drug's sates being for neuropathic pain. Neurontin's 2000 cales are expected to reach \$1 billion with perhaps \$6% of its use in neuropathic pain. This doltar market value likely underestimates this market's potential due to a number of factors. Only the anticomotisant, Tegretol (carbennazepine), currently off patent, and Lidoterm, a fictication paich, have specific indications for a type of neuropathic pain (frigerminal neuropathic pain the U.S., Currently, there is an unmertained and post-herpetic neuropathic pain treatments such as ABT-594. Therefore, this compound is fixely to be well received in this arena. Outside the U.S., Neurontin recently received an indication in the U.K for the treatment of neuropathic pain. Despite these opportunities, there has been little to no funding from the pharmaceutical industry to improve diagnosis and treatment of neuropathic pain and drive market growth. neuropathic pain and drive market growth.

Ex-U.S. sales of carbamazepine and Neurontin for treatment of neuropathic pain are estimated to be approximately \$140MM in 1999. Carbamazepine is still the treatment of choice ex-U.S., with estimated sales of approximately \$90MM in neuropathic pain. Neurontin has achieved only \$53MM in sales for this pain segment, with a price approximately 3-4 times that of carbamazepine, suggesting a patient share of only 10-20%.

Nociceptive pain is categorized by duration (acute or chronic) and by severity (mild, moderate, and severe). The mild and, to a lesser extent, moderate segments have multiple product entries and are generally well satisfied by OTC products such as aspirin, acateminophen and ibuprofes. The prescription market for nociceptive pain is made up of four key classes of analgesics: NSAIDs, COX-2s, Opioids (and combination products), and Other Non-Opioids. In 1899, sales for these four classes of analgesics exceeded \$1288 (\$6.788 U.S., \$5.688 Ex-U.S.)

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Market Size / Prevalence

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Pairs is the most common symptom of disease and the most frequent complaint with which patients present to physicians. Chronic pair, including both neuropathic and nociceptive pair, is considered to be the single most common cause of suffering and disability in the industrialized world with an estimated 25-30% of the population experiencing some form of chronic pairs.

Neuropathic pain is a frequent sequela of diabetes, cancer, AIDS and other viral intections, as well as entrapment neuropathics such as corpal tunnal syndrome. Diabetes and its associated complications are increasing at an alaming rate in the United States. Despite advances in treatment, the development of diabetic complications such as neuropathy remains significant. The diagnosed prevalence of diabetic neuropathy is estimated to be about 2 to 3 million patients, with at least 10 to 20% of those patients expaniencing painful symptoms (~290,000 to 500,000.) AIDS-related neuropathic pain is estimated to affect approximately 40% of HIV-Intected individuals (~14 million.) Post-herpatic neuralpia (PHH) is another virally induced neuropathic pain syndrome. Annually, acute herpes zoster infection (stringles) occurs in almost a quarter of a million people over the age of 50 in the U.S., alone. Pain tasting more than one year has been reported in 22% of patients over the age of 55 and in 48% of those over 70 years of age. In cancer, nerves can be damaged by mechanical distortion from a tumor mass, infiltration by tumor, chemotherapy, or radiation therapy and, therefore, neuropathic pain is common. An estimate of the prevalence rate for cancer-related neuropathic pain in the U.S. is 200,000 people.

Chronic nociceptive pain categories include esteoarthritis (OA), chronic back and neck pain, metimatoid arthritis (RA), and cancer pain. These diagnoses are expected to become more prevalent as the population ages. Current overall prevalence for these disorders is staggering (over 200 million worldwide) and, although the diagnosed and treated populations are lower, improved treatment options and awareness have the potential to drive significant growth. OA is one of the most common nociceptive pain conditions treated by primary care physicians and three-fourths of OA sufferers surveyed indicate that the disease interferes with their daily activities. Chronic back and neck pain are also highly prevalent and represent an estimated 40% of a primary care physician's (PCP's) chronic pain patient population.

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Competition, Current Marketed Products:

The following tables show the factored U.S. and ex-U.S. prescription and sales volume for key neuropathic pain therapies in 1999.

1999 Key Neuropathic Pain Products, Estimated TRos						
Product/Class	1999 U.S. TRx (MM)	U.S. TRx CAGR '97-'99	1999 ex-U.S. TRx (MM)	ex-U.S. TRx CAGR '97-'99		
Neuronfin	3.3	26.3%	NIA	N/A		
carbamazepine	1.0	- 12.6%	N/A	N/A		
TCAs	8.2	1.1%	- N/A	N/A		
TOTAL	12.5	5.8%	NIA	NIA		

Source: IMS, factored for neuropathic uses.

N/A = not available

Product/Class	1999 U.S. Sales (SMR6)	U.S. Sales CAGR '97-'99 -	1999 ex-U.S. Sales (5MM)	ex-U.S. Sales CAGR '97-'99
Neuronlin	: - \$308	: '28.7%	\$53	57.6%
carbamazapine	\$17	13.1%	\$87	2.5%
TCAs ·	526	-3.3%	NA	N/A
TOTAL	\$351	21.7%	\$140	10.1%

Source: IMS, factored for neuropathic uses; Ex-U.S. data includes retail pharmacy data from all audited markets

N/A = not available

Competition, Products in Development

Almost 100 compounds are currently in development for prescription pain management, though some of these compounds are also being developed for non-analgesic indications. Most of the analgesic compounds in the pipeline represent incremental improvements over the opioids or NSAIDs, or consist of new formulations or delivery mechanisms for the standard analgesics. Fewer than 30% of the compounds in development have novel mechanisms of action. Drugs with novel mechanisms are expected to provide the bulk of promoted competition for ABT-594.

in addition to the novel analgesics in the table below, a number of new formulation and combination products, most often containing an optoid, are in development. Second generation COX-2s are also in development but are not likely to represent major breakthroughs on the scale of the first generation products,

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Product	Company	Mechanism	Phase	Comments
pregabalin	Pfizer	Unknown; possibly through (2° subunit binding	111	Neuropathic pain; chronic pain Ioliow-up to Neurontin
saredutani	Sanoli	NK-2 receptor antagonist	H	General pain; MCA losing favor; active program
ZD4952, ZD 6416	Zeneca	Prostaglandin receptor antagonist	Ħ	Moderate to severe pain, neurogenic pain
GV196771	Glamo	Glycine antagonist	Ħ	Chronic pain; showing promise
Tepoxalin	Johnson & Johnson	COX/5-LO inhibitor	R	OA, described as 'steroid replacing anti-inflemmatory drug'
darbufelone	Parke-Davis	COX/5-LO inhibitor	11	General pain
117mSn DTPA	Brookhaven National Lab/Dialide	Unknown		Cancer pain Bone cancer (preclinical)
cizolininė	Esteve ' · ·	Sübstänce-P-agonist	. · # ·	Analgesia, antipyretic
ADD : 234037/ harkoseride	Houston University	Glycine NMDA associated antagorist	. 11	Neurogenic pain
LY303870/ lanepitant	Eli Lilly	Neurokinin 1 antagonist	ß	Pain (migraine – discontinued)
colykade devacade	Merck	Cholecystotinin B antagonists	Ħ	Pain (UK)
RPR 100893 dapitant	Aventis	Neurokinin 1 antagonist	Ħ	Pain (France)
prosaptide TX14A	Myelos Neurosciences	Unknown	N)	Diabetic neuropathies, Pain
CNS 5161	Cambridge NeuroScience	Gluiamate antagonist, NMDA recupior antagonist	1	Neurogenic puin
NCT-3012	NicOx	Nitric axide NSAID	1	Pain and inflammation

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Product	Company	Phase	Comments	
GTS-21	Taisho		Target is Alzheimer's diseaser, may have preclinical pain program; looking for pariner	
CMI 980	Cytomed	Preclinical	Target is pain; epibalidine analog	
SIB-T1887	Sibie	Preclinical	Target is pain	
FID 072021	Fidie	Preclinical	Target is pain; not actively funding	

Unmet Needs

in general, a significant unmet need exists for safer, non-abusable, non-addicting, non-tolerance-producing, and non-scheduled efficacious oral and parenteral analysis's products for the treatment of moderate to severe neuropathic and chronic nocloeptive pain.

Unmet Market Needs and the Impact of the Pipeline			
- Unmet Need	Pipeline Impact		
Efficacy in moderate to severe pair without solerance. dependence or abuse potential	Novel micolinic agents like ABT-594 may provide efficacy in more severe pain states without opioid-like liabilities.		
Efficacy in neuropathic pain	Pregabatin may provide incremental improvement in neuropathic pain efficacy over gabapestin, but may also have increased irrequency of adverse events.		
	Novel nicolinic agents like ABT-594 appear to have efficacy in neuropathic pain, based on animal models.		
Reduction in the GI bleeding risk of NSAIDs	COX-2 inhibitors appear to reduce the incidence and severity of GI utcers and bleeding; second generation COX-2s may increase therapeastic window further; ABT-584 may need to demonstrate low GI. complication rate.		
Overcome celling effect of NSAIDs	Practinical studies did not indicate a celling effect for novel nicolinic agents like ABT-594.		
Extended dosage intervals or novel delivery mechanisms for improved compliance and convenience	Once wealthy desing formulations being explored for CCC-2s, etc. Transdormal patch technology improvements likely; may need to provide line-extension / elternate formulations for AST-594.		
Therapies aimed at disease modification, prevention	Agents that decrease rate of diabetic compilications (e.g., alclose reductable inhibitors) or directly treat neuropathy (bimoclomol) may decrease incidence of neuropathic pain; thereby decreasing available market for AET-594.		

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Product / Development Background

Scientific Rationale for ABT-594

Recent findings in the understanding of pain mechanisms have led to new conceptual Recent findings in the understanding or pain mechanisms have see to new conceptual approaches to clinical pain and a new understanding of potential novel molecular largets for analysis drug development. Molecular targets have included modulators of glutamate neurotransmission (NMDA aniagonists), for channel modulators (neuron specific calcium channels, TTX-resistant sodium channels), neurolinin antagonists (NK-1), and novel anti-epileptics targeting the calcium receptor. None of these approaches has yet produced compounds exhibiting broad-spectrum analysis efficacy with decreased side effect liability.

ABT-584 is a non-opicid, non-NSAID analgesic that is 30- to 100-fold more potent and equally efficacious to morphine in treating moderate to severe pain in several well-characterized animal models of pain. The preclinical side effect and dependence liability profile of ABT-594 is superior to that of morphine. Mechanistically, ABT-594 is a potent and selective neuronal nicotinic receptor (NNR) agonist with high oral bloavallability in rat, dog, and monkey.

In pre-clinical studies, ABT-594 rapidly distributes to the brain following systemic administration and, the morphine, can work at multiple levels in the central and peripheral nervous system to modulate pain perception. ABT-594 produces antinoclospitive effects by interacting at both central and peripheral nAChRs. Injections of ABT-594 into brain at doses 1000-lold lower than given peripherally produce marked antinoclospitive activity, indicating that ABT-594 can also activate descending pathways from the CNS to modulate pain processing. It also inhibits the release of the primary nociceptive transmitters, substance P-and catclioning gene related pepilitis (CGRP) in vitro, at the level of the dorsal hom of the spinal cord suggesting that ABT-594 can account to the primary nociceptive transmitters, substance P-and catclioning gene related pepilitis. consolidation of pain-madiated neuronal changes.

ABT-594 is expected to be a highly differentiated product. It is expected to be the first neuronal nicothic receptor agonist to receive an indication for pain. It has a novel mechanism of action and a potentially broad coverage of chronic pain conditions. In addition, it has an opioid-like efficacy without tolerance, dependence or abuse potential, while having equivalent/superior efficacy to other drugs used to treat neuropathic pain.

Clinical Studies

Human clinical trials began in 1997. Phase I bials with an oral solution formulation indicated that 150ug/day would be the maximum toterated dose. Results from subsequent phase I and phase II trials with soft elastic capsule (SEC) and hard gelatin capsule (HGC) suggest that higher doses would be toterated. Phase its studies with ABT-594 SEC formulation suggest a trand towards analysis effect at 75ug BID, the maximum dose studied in these protocol. ABT-594 was generally well toterated in these studies. The most common adverse events for subjects receiving ABT-594 75ug BID were nausea (15%), headache (13%), dizziness (7%), insomnia (6%), and vomiting (5%).

A phase life study for neuropathic pain at higher, Itirated doses of ABT-594 began in April 2000 and ends in June 2001. A total of 320 patients is anticipated to be included in the study.

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Considerations

Target Profile:

The current status of AET-594's profile vs. target profile is summarized in the table below:

Target Profile Attribute	Probability
Not scheduled (DEA)	High
Very lew abnormal Liver Function Tests	High
Few Drug interactions	High
BID / TID dosing	High
No reduced efficacy or increased AEs in nicoline users	High
Onset of action 1.5 – 2.0 hours	High
Neuropathic efficacy	Medium
No tolerance, dependence or withdrawal	Medium
Other safety OK	Medium
No cravings in ex-nicoline users	Medium
Low nausea / vomiting	Low

Label Strategy:

BASE: Indicated for the treatment of diabetic neuropathic pain.

UPSIDE:

- 1) Treatment of pain associated with OA
- 2) Treatment of post-herpetic neuralgia
- 3) Treatment of neuropathic pain
- 4) Treatment of chronic pain
- 5) Treatment of cancer pain

Cost of Goods Sold:

The projected average daily dose is expected to be a maximum of approximately 600 mag base equivalent / day. Based upon this dosage projection and the estimated cost of bulk drug substance of \$40M per Kg base equivalent, the estimated cost for drug substance at launch will be approximately \$0.024 per day.

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Pricing:

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US: Pricing new, and particularly novel, products at a reasonable premium will filely continue to be the norm in the years leading up to the faunch of ABT-594. Current forecast assumptions put the price of ABT-594 at a level comparable to Celebrex and Neutontin, grown at a modest 2% per year to launch year AVVP of approximately \$85 for a 30 day prescription.

Ex-US: New pain medications must demonstrate a true advantage in efficacy and/or side effects to receive regulatory approval, especially by the European Medicines Evaluation Agency (EMEA); assuming the terget efficacy and tolerability profile of ABT-594 is archieved, ABT-594 would meet this requirement. Because ABT-594 may have application in both neuropathic and chronic nocleopfive pain, the ex-U.S. pricing assumption for ABT-594 is comparable to COX-2 pricing. The current average price for COX-2's is approximately \$1.10 per day; however, this reflects a large percentage of sales in "free-pricing" countries, where COX-2s inunched first, which tend to have higher than average prices. Therefore, the average ex-U.S. price for ABT-594 is assumed to be \$0.90/day.

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ABT - 751

Descriptive Memorandum

February 2001

Abbott Laboratories

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ABT-751

Opportunity Overview

Cytotoxic agents and hormones consitiate the dominant classes of drugs available to treat cancer and are responsible for 95% of the total market. Since 1993, Taxol, a taxane developed and marketed by BMS, has been widely used. Another taxane, Taxobere, developed and marketed by Aventis, was taunched in 1996. Combined worldwide sales of these two products were of nearly \$2 Billion US in 1999. Clinically, the development of drug resistance is the primary factor that simils the efficacy achievable with these drugs.

Abbolt's anti-mitotic agent (ABT-751) is a novel, oral cytotoxic agent that acts by a mechanism similar to that of the taxanes but retains activity against taxane resistant cells. ABT-751 binds to the colchicine site on tubulin and inhibits the in vitro polymerization of microtubules. The interference with normal interotubule dynamics leads to a block in the cell cycle at the G2M phase that utilimately results in the induction of cellular apoptosis. ABT-751 is a potent antimitotic agent that inhibits the proliferation of a broad spectrum of human tumor derived cell lines including those that are pacitizated and doxonubicin resistant due to the multidrug-resistant (MDR) theoretics or cellular constitutions. phenotype or other genetic changes.

ABT-751 demonstrated impressive oral antitumor activity when evaluated in both synegeic and human xenograft tumor models. The antitumor response was independent of the MDR status of the model, consistent with the activity observed in cell cultures, in sharp contrast with other cytotoxic drugs, the maximum tolerated dosage of ABT-751, on a q.d. 1-5 schedule, could be administered for an extended period (q.d. 1-21 or q.d. 1-28) resulting in a dramatic enhancement of the antitumor activity. These results suggest that the colcricions site figures, such as ABT-751, will exhibit a broad spectrum of activity that will be distinct from that of other classes of antimitotic drugs. Oral availability of the compound is high. Taxol and Taxotere, in contrast, have no oral bioavailability. ABT-751 demonstrated impressive oral antitumor activity when evaluated in both synegeic and

The most significant finding in toxicology studies was a change in systemic and pulmonary vascular resistance following intravenous infusion of AST-751 to anesthetized dogs. These effects led to an inverse response in cardiac output. Similar changes were observed following infusion of a structurally unrelated colchicine-site ligand, and therefore most fittely represent a class effect. Additional toxicology studies focusing on vascular pathology will be performed to distinct building building toxicology. further elucidate this finding.

ABT-751 was administered to petients with advanced cancer in Japan in a Phase I study. Toxicities seen after single doses and 5 days of q.d. dosing were nausea, vomiting, diarrhea, epigastric pain, items and peripheral neuropathy. Grade 2 broicity was peripheral neuropathy and associated paresthesias. Pharmacoltinetic analyses showed plasma concentrations equivalent to those that affected systemic resistance and cardiac output in the anasthesized dog study. However, no adverse cardiovascular effects were observed in the Japanese Phase I trial. Evidence of ABT-751 efficacy was exhibited in one patient with uterine sercome, one patient with NSCLC after single doses, one patient with pastic cancer and one patient with uterine cervical cardinoma demonstrated decreased turnor markers after repeated dosing.

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The planned initial Phase I study in the U.S. will determine the maximum tolerated dose and dose-limiting todotties of AST-761 given orally once a day or twice daily for multiple cycles in patients with advanced malignancies, in addition, pharmacohinetics in a western population, and optimal dose and schedule will be determined. Phase if studies will be initiated in patients with different cancer types:

- Refractory breast (taxane failures).
- Hormone refractory prostate
- ·Bladder
- -Lung

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- ·Cervical
- *Hepatocellular *Other possibilities: colorectal, sarcoma, renal cell, pancreatic, HNSCC

Cytoloxic agents represent the largest, and fastest growing, class of oncology agents by sales volume. The following chart summarizes the value of the current oncology market

Global Sales by Market Segment (\$ MM)

	1997 Sales	1998 Sales	1999 Sales (est)	CAGR '95-'98
4.414	4.784	4,884	5,000	. 5.2%
		6,268	7,300	21.0%
	3.651	4.166	4,900	11.2%
12,059	13,647	15,318	17,200	12,7%
	4,414 4,278 3,367 12,059	4,278 5,212 3,367 3,651	4,278 5,212 6,268 3,367 3,651 4,166	4,414 4,784 4,884 5,000 4,278 5,212 6,268 7,390 3,367 3,651 4,166 4,900

Sales by Region (\$ MM)

	·				
	1996 Sales	1997 Sales	1998 Sales	1999 Sales (est)	CAGR '96-198
US	5,564	8,276	7,422	8,500	15,5%
Ex-US	6,495	7,370	7,896	8,700	10.3%

This growth of the cytotoxic segment has been driven primarily by the introduction of new, more effective and expensive theraples such as Taxol (pacitiaxel/EMS), German (gemellabinel/Elly), Taxotere (docetaxel/EPR) and Hycamlin (topolecan/SB). Uptake of these newer agents, however, can be dependent on the cost sensitivity of the local market.

The clinical targets identified for this compound include late stage breast cancer, tate stage NSCL cancer (on-tabet), with tale stage ovarian and pencreatic cancer as additional cancer types where efficacy has been demonstrated, but not filled. This product may also be potentially efficacious in cancers such as gastric, colorectal, prostate, bladder, exophageal, hepetocellular (ex US), lymphorma, and teukemia. Targets will be refined as we know more about this compound's invivo activity.

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Descriptive Memorandum: ABT-751

The following tables summarize the key competitive products by indication (US data only):

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Product	Shøre
Cyclophosphamide/Cytoxan/BMS	18.7
Doxorubicin/Adriamycin/P&U	17.11
Docetaxel/Taxolere/RPR	15,25
Pacifiaxel/Taxol/BMS	15.11
Trastuzumab#lerceptir/Genetech	11.26

Part Allian In	
Product	Share
Carboolatin/Paraplatin/BMS	50.32
Pacifiaxel/Taxol/BMS	44,14
Vinorelbine/Navelbine/Glaxo	22.78
Gemcitablne/Gemzar/Lilly	22.14
Cisplatin/Ptatinol/BMS	11,28

Late Stage Ova

Product	Share	
Pacifiaxel/Taxol/BMS	47.11	
Carboptatin/Paraplatin/BMS	45.42	
Topotecan/Hycamtin/SKB	22.54	
Dox SL/Doxil/Alza	9.14	
Cisplatin/Platinol/BMS	7.58	

Late Stage Pancreas

Product	Share
Gemcitabine/Gemzar/Lilly	78.5
5-FU/Efudex/ICN Pharma	21.0
Leucovorini	10.7
Cisptatin/Platinol/BMS	4.72

Compounds in Development

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ABT-751 induces a mitotic block by binding to the colchicine site on tubulin and thereby affecting tubulin polymerization. There are no currently available drugs which function by the mechanism described above. However, vinca alkaloids and taxanes fell into the broad category of anti-mitotics affect through different mechanisms. The following table summarizes anti-mitotic compounds in development.

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Company			Status of compound	
	Colchicine site liga			4
Oxigene	combretastatin-A4 phosphate	Tumor vasculature	Phase I	attive
Tularik	T138607 (phosphale prodrug)	Cancer (unspecified)	Phase I	active
Tulank	T900607	Cancer (unspecified)	Preclinical	active
ICI/CRC	Amphethinite	Cancer (unspecified)	Phase I (abendoned 1988)	inactive
Welcome Research	1069C	Cancer (unspecified)	Phase I (abandoned 1996)	inactive
NIH ,	Trimethylcolchicinic acid	Various tumors	Phase I (1990, abandoned)	inactive
Parke-Davis	CI-980	ovarian, colorectal	Phase II (abandoned 2000)	inactive
	Vinca alkaloid-site lie	ands	· · · · · · · · · · · · · · · · · · ·	T
BASF	LU103793 (dolastatin 15 analog)	Cancer (unspecified)	Phase II (abandoned)	active
Servier	Virxaltine	Cancer (unspecified)	Phase I	naknown
NCI	dolastatin 10	Adv. Cancers	Phase i	enknown
Teikoku Hormone	TZT-1027 (dolastatin 10 analog)	Cancer (unspecified)	Phase I (Jpn)	unknown
Lilly	LY 355703 (cryptophycin 52)	Cancer (unspecified)	Preclinical	unknown
Takeda	Maitansine	Cancer (unspecified)	Preclinical	Unknown
Micr	otubule stabilizing agents	(non-taxanes)		1
Soc. Biotech. Res/ Bristol-Myers Saulbb	Epothilone	Cancer (unspecified)	Preclinical .	active
Bristol-Myers Squibb	eleutherabin'	Cancer (unspecified)	Preclinical	active
Pharmacie & Jojehn	sarcodictyins	Cancer (unspecified)	Preclinical	active
l'akeda	GS-164	Cancer (unspecified)	Preclinical	active

The novelty of this mechanism offers the promise of differentiation that will diminish the threat from potential competitors. However, this novelty is balanced by the similarity to current mechanisms, such as texanes and vinca alkaloids, which suggests the promise of clinical efficacy. With the opportunity to be first or second to market with an agent that binds to the colchicine site, the competitive situation seems modest.

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ABT – 492

Descriptive Memorandum

February 2001

Abbott Laboratories

ABT 492

Overview

The commercial success of fluoroquinolones such as ciprofloxacin and levofloxacin, along with The commercial success of fluoroquinolones such as ciprofloxacin and levofloxacin, along with the desire to further improve the properties of these compounds (microbiological spectrum and safety, for example) has led to fierce competition to identify analogs with superior therapeutic properties, in addition, the development of resistance to present antibiotics will drive a continued need for new agents. Goals for a quinolone antibiotic include broad-spectrum indications equal to srovafloxacin, antibioticarial activity comparable to trovafloxacin, identify comparable to levofloxacin, call and intravenous formulations, once daily dosing, length of treatment equal to modificacin, and an acceptable cost of goods. AST-492, an in-licensed compound from the Wakunaga Pharmaceutical Co... is being developed for availation to make these coals: Wakunaga Pharmaceutical Co., is being developed for evaluation to meet these goals:

The in vitro antibacterial activity of ABT-492 was consistently more potent than trovaltozacin against most quinolone-susceptible pathogens, including species responsible for community and nesocontal respiratory tract infections, urisary tract infections, blood afterm infections, skin and skin structure infections and accountal infections. nosocomial respiratory tract infactions, uriwary tract infections, blood stream infections, skin and shin structure infections, and anaerobic infections. The compound has potent activity against multidrug-resistant S. pneumoniae (penicillin-, macroide-, tetracycline-resistant) and related activity against. S. pneumoniae strains resistant to other quinolones including trovalloxacit. ABT-492 was also highly active against anaerobes and ciprofloxacin-susceptible P. aeruginosa. ABT-492 was as active as trovalloxacin against C. trachomatis, indicating good intracellular penetration. Thus, ABT-492 is likely to be a useful broad-spectrum antiflucteral agent. The enhanced antiflucterial activity of ABT-492 relative to ciprofloxacin, lavofloxacin, and trovalloxacin is likely to be explained, in part, by it's potent interactions with bacterial topolocomerases. ABT-492's equivalent activity against both the DNA gyrase and the topolocomerase IV of pathogens, give ABT-492 a potential for decreased development of resistanca.

The in vivo potency data suggests that ABT-492 has the potential to be therapeutically effective at doses comparable to trovalloxacin and superior to levoltoxacin. In addition, ABT-492 was consistently more potent than trovalloxacin against MRSA and vancomycin-resistant enterococci, in both these cases, however, therapeutic utility remains to be assessed in the clinical setting.

S. pneumoniae was chosen as the dose-defining pathogen since it is the key pathogen in severe S. pneumoniae was chosen as the dose-defining pathogen since it is the key pathogen in sever respiratory tract infections and treatment of infections caused by this pathogen has traditionally been a weateress of most quinclones. For treatment of fluoroquinclone-susceptible S. pneumoniae respiratory tract infections, oral dowing may be similar to trovalloxacin based on data generated in lung infection models. Because of the excellent potency of ABT-492 against fluoroquinolone-resistant S. pneumoniae with an MiC₂₀ of 0.12 pg/ml, this group of emerging strains may be targeted as a key differentiation point from other quinolones. Also, data from the thigh infection model suggests significantly greater efficacy for ABT-492 than for trovalloxacin.

The Market

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ABT-492 is broad-spectrum anti-infective agent with potential application across a broad range of indications, including respiratory infections, ganlo-urinary infections, and stirr/soft tissue infections. It is assumed that a pediatric formulation would not be a part of the primary development plan due to the known adverse events caused by quinolones in pediatric populations. Nonetheless, reports of quinolone pediatric development has been reported (gatifloxacin), hence the pediatric market should be regarded as a potential upside for this quincione should its safety profile ment its use in pediatrics.

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Current Treatment Options

Class	Mechanism of Action	Comments
Penicilins	Cell wall synthesis inhibitor	Mostly generic, class has seen significant decrease as a result of penicifin resistance
Cephalosporins	Cell wall synthesis inhibitor	Some generic, class has seen significant decrease in use as a result of prevalence of 8-factomase producing strains and modification of penicitin-binding proteins.
Tetracyclines	Protein synthesis inhibitor	Generic agents, relatively high levels of resistance but are still useful in some indications
Sutionamides	Folic acid synthesis	Generic agents, relatively high levels of resistance but are still useful in some indications
Macrolides	Protein synthesis hitibitar	Widespread use in RTI, macrofide resistance lats been increasing rapidly, but has not yet transleted into declines in clinical efficacy; H. flu activity continues to be class westness, along with GI adverse events, drug-drug interactions, & taste perversion
Quinolones	DNA synthesis inhibitor	Fastest growing antibiotic class, used in a broad spectrum of indications; class historically associated with poor Gram+ pethogen coverage and sub-optimal safety profiles; never agents (Levaquin, Tequin, Aveloo) have improved dramptically along both spectrum and safety dimensions.
Oxazolidinones	Protein synthesis inhibitor	Newest entiblodic class to reach market, due to limited Gram- profile will be used primarily in nosocomial setting

<u>U.S. Market</u> 1999 U.S. antibiotic prescription and sales data are presented in the table below.

			1995	1996	1997	1998	1999	CAGR
	30	Tab/Cap	220	215	211	208	221	0.1%
	ANO.	Oral Susp.	76	66	63	59	61_	-5.3%
نئ		LV.	NA	NA.	NA	NA.	NA_	NA.
U.S.	Sales (SMM)	Tab/Cap	\$4,057	\$4,220	\$4,467	34,348	\$5,715	8,9%
		Oral Susp.	\$1,075	\$979	5977	\$1.001	\$1,120	1.0%
		LV.	\$1,365	\$1,829	\$1,855	\$1,890	\$2,117	3.2%

Tablicap and oral suspension prescriptions had been declining 1-2% per year in the period of 1895-1998, presumably from increased attantion to appropriate prescribing in the face of increasing resistance; however, prescriptions recovered in 1999, though this may be explained at teast in part by a relatively late 1996-99 fits season. Even in the face of this negative pressure on antibiotic use, however, sales in the U.S. have continued to increase, particularly in the tablicap market. This is due to the trend of replacing relatively low-cost genetic agents with higher priced premium antibiotics; during 1995-1999, genetic tabricap prescriptions declined by 30MM. So white negative pressure on the use of these antibiotics continues, it appears the market is witing to bear higher costs for agents that meet unmet need. The IV market has grown slightly in terms of sales, also being driven largely by the replacement of generic agents with more costly branded agents. ağents.

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Quinolones have seen dramatic growth, with oral and IV sales growing at 17% and 16% compound annual rates, respectively, from 1995-1999. This growth is a function of the newer quinolones successfully penetrating the RTI segment, which was initiated with the 1997 launches of Levaquin and Trovan (withdrawn) and continues with the recent introductions of Tequin and

Ex-U.S. Market
Ex-U.S. sales of antibiolics totaled \$11.7 billion in 1999. The tablesp represents the largest segment, with sales of 59.4 billion on 770 MM TRX. TRX growth has been first, with a 1996-99 CAGR of 0.5%; the use of antibiolics is predicted to slowly decline due to more judicious use of antibiolics in the face of increasing bacterial resistance.

Ex-US, the quinolone class accounted for 8% (62MM) of total tablesp market prescriptions and 13% of sales (\$1.2 billion). Ciprofloxacin is the market leader ex-US, with approximately 47% of sales (\$1.2 billion).

13% of sales (\$1.2 billion). Ciprolloxico is the market leader ex-US, with approximately 47% or the quinolone market Ros (29MM) and 44% (\$530MM) of sales, Levolloxacin launched in many European markets in 1998/1999 and holds approximately 14% Ros share of the European quinolone market, and 0.8% of the overall tablicap market. Although grepationacin and trovaliouscin also launched in some European countries in 1998, both products were recently pulled from the market due to liter toxicity and other complications. Mostilloxacin launched in Germany in 04 1999, but has not yet been approved to other markets. In Japan, levolloxacin launched in 1994 and still commands a 55% Rx share of the quinolone market approved to see the quinolone market approved to the consent for expressionals and of our US levolloxacin launched in 1994 and still commands a 65% Rx share of the quinolone market approved to see the proposed to the control of Japanese tableap market overall. Japan accounts for approximately 80% of ex-US levollocacin sales (\$370MM).

	1999 Ex-US Tab/C:	ap Markel				
Class Supras . 4	Sales (SIAN)	Sales Share	Sales CAGR 196-199	HOS.	Share Share	TRX CAGR 96-99
Market	59,248	T-	3.6%	778	-	0.8%
Outnoione Class	51219	53%	-12%	172	75	***
Cipro	\$530	57%	4.9%	25	1.0%	JAN.
Levaculo	\$468	5.0%	NA	18	23%	JEA .
Travan	512	0.1%	М	0.5	E.PS	MA

Competition

The anti-infective pipeline is very competitive, but most of the competition is focused on improving the activity and safety of the quinotones. Ketolide development is the only other area of activity which is in late stage of development. The quinolone compounds in present development may fell out because of safety or lock of activity against resistant pathogens.

Competitive Analysis - Emerging Competition								
	Свифилу	Class	Phase/Estimate d Time to Market	•				
Kesek (seliebseum veim)	Aventis	Kesplide	Filed 3/80 Est. bonck 3/01	.2.U	Respiratory indicators; filed NDA 300; 800 mg QD; first in helolide class to reach market.			

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		C	mpetitive Analysi	s – Emergi	ng Competition
Product	Company	Class	Phase/Estimate # Time to Murket	Country	Comment
Factive (genilless acin)	SKB .	Quinotone	Filed 12/99 Est. Innach 12/80	US	Superior to quiuminum for MRSA; highly points vs. RTI pulsogens W, Rs. M. cat, and S. previous and UTI pulsogens. L. end and P. merability, CRS; poursey squa, avev, grapa and 2 month; activity vs. P, narraginossif; good styphesis and repenjames coverage; immunosibles pronountaine; low photo/CHS tax; 700 position deathers.
io 2)ovjerse	Delichi Selyaku	Quinchose ((V only)	IR It Est, levech 2002	Japan U.S., Europe	Very potent MCSA, providenance and bacteroides activity, disches, ALT, low WBC; will likely be target to severe patter than community in fections
Econflor scin	Chid Fools	Quinclose	U Est, hunch 2002	ŧικ	Antive against UTI and RTI pathogons; superior to leave and offer to .P. derugiesse. Tax = 14-19 kg will likely be target to severe rather than constructly likely be target.
C3-948	Sankyo	Quinulous	11 Est. Jaunch 2002	Japan	Active against 0%; excellent activity spainst H., fis, c., felant, AC presume, and C. trachomenis; greater patency then cipen; tap =7 hr; BA=80%
र-म्रो।	Toyana/RM	Quincions	Est. Jauneh 2005	Japan	Exercisest potency and low society
DC-756	Dašichi Pharma	Quinchos	Pre-clin Est, Impels 2006	Japan	Low tonicing in view potency ≥ more, 5TFX & HSR- 963

Unmet Needs

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Overall unmet need in the anti-infective market is low. Resistance represents the largest unmet need, which will continue to evolve over time. Satisfaction with other product attributes, such as convenience, spectrum of activity, and tolerability/satety is quite high. Any improvements in these areas will be incrementel and will offer little in the way of differentiation.

ABT-492 is one of the most active agents against the resistant organisms. It has indications that will have a low propensity for the development of resistance. ABT-492 will be developed to maximize any opportunities to shorten therapy. ABT-492 was chosen from hundreds of quinolones because of its potential to be well tolerated and safe in humans. ABT-492 will have few interactions with other drugs.

Unmet Need	Pipeline Impact			
Activity against resistant organisms	Strep. pneumo, MRSA, and VRE represent most problematic pathogens although new quinolones/kelbilkies do wall with most resistant Strep. pneumo strains; quinolone-resistant Strep, pneumo may develop; pseudomonas resistance is also increasing resistance will likely continue to be a source of somet need due to its dynamic nature.			
Low propensity for resistance development	Given that most compounds in development are from classes of drugs already in use, this need is largely unmet. Unclear how quickly resistance will build to new classes of drug; gatificoach claims 8-methoxy functional group results in lower propensity for resistance development.			
Convenience (duration/frequency)	Standard moves toward 5-7 days of therapy with QD dosing; may start to see 3-day therapies for some indications (AECB)			
Increased tolerability	While some degree of unmet need exists, increasingly, agents (which have not been withdrawn) are reaching the marketplace with adverse event profiles that approach clinical insignificance; a very clean safety			

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	profile should be regarded as a necessary component rather than a
I	differentiating one
Few drug-drug	Outnotones, macrolides, and ketolides all interact with other drugs to varying degrees; a potent drug with no interactions would be a benefit in
interactions	this market

Considerations

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Product Usage, Physicians are likely to use ABT-492 for the sicker patients with the most difficult infections to treat. In the outpatient arena it will be used to treat community-acquired pneumonia and soute bacterial excerbations of chronic broachilis in the older patients with an underlying illness. It will also be used in the hospital for the community-acquired pneumonia patient who requires hospitalization and for serious nosocomial infections.

While many regard quinolones as agents that should be reserved for 2rd line use, their activity against H. Influenzae and resistant Strap. pneumoniae (which current macrolides do not offer) have resulted in a high level of acceptance for empiric 1rd line use. The improved safety profiles of several recent quinotones have facilitated their use as 1rd line agents. Provided that ABT-492 is proven to have a benign safety/adverse event profile, it will fixely receive usage in both 1rd-line (non-severe) and 2rd-line (severe) infections.

Side Effects: The quinotone class has potential protongation of the QT interval and other cardiovascular effects. There is also increased regulatory scrutiny due to recent quinotone withdrawals from international markets. ABT-492 has been evaluated in the standard in vivo models used to evaluate QT interval potentials of other antibiotics and has shown no evidence of increasing QT. Also, compared to marketed quinotones, preclinical studies show no evidence or no increase incidence of CNS drug concentration (ie. less potential for dizziness); photoloxicity; and liver loxicity.

Off-label use: It is difficult to predict at this time what off-label uses will be seen for this compound, initial development will be for the more common respiratory, urinary tract, skin, and hospital infections. Other indications will be evaluated after the primary approval of this compound. Many of the secondary indications will get usage before we have regulatory approval.

COGS: The initial cost of goods is in \$6000/kg range, but will come down rapidly after the initial starting materials are determined. At time of launch ABT-492 will have a cost of goods in the \$1500/kg range which is competitive compared to other quinolones and other new antibiotics.

Dosing: Based on animal models and the in vitro activity of ABT-492 the dose for most oral indications will be in the range of 100 to 200 mg give once daily.

Development/Regulatory: Anti-infective compounds are well understood by regulatory agencies globally and they have clearly defined clinical development path and regulatory guidelines for reference. Abbott Laboratories has been in this arena for many years and has experience with the FDA and European regulatory agencies and so the hurdles to development are well known. ABT-492 has begun but not yet completed its first Phase I study in healthy volunteers.

Other Approaches: Because of the well defined development guidelines there are not many options. The major development options are in dosing regiments. ABT-492 is a very potent drug which has demonstrated rapid killing of pathogens in vitro and in vivo, and the development plan will attempt to shorten treatment durations to increase the competitive advantages of this activity.

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Pricing: The community infection market is quite competitive from a pricing standpoint, with recent quinciones priced at approximately \$45 per 5-7 days of therapy. The pricing strategy will depend on strengths/weakinesses of the ABT-492-product label, the competitive tandscape at launch, and the managed care environment, but current pricing assumption is parity for ABT-492 with respect to other quinciones.

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ABT - 510

Descriptive Memorandum

February 2001

Abbott Laboratories

JH 008186

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Overview

There is abundant evidence that primary tumor growth and metastatic progression require new blood vessel formation (angiogenesis). Tumors secrete inducer proteins including bFGF and VEGF that ectivate microvascular endothelial cells (EC) causing them to proliferate, migrate and organize into capillary structures. Activated endothelial cells also enhance matignant progression by producing signal molecules (cylokines) that inhibit programmed cell death (apophosis) of tumor cells. Since anti-angiogenic therapy targets genetically stably endothelial cells, resistance typically sees following cylotoxic chemotherapy is not observed. Moreover, angiogenesis inhibitors should not have the intrinsic toxicity of anti-mediterative chemotherapy. Annionenask is inhibitors should not have the intrinsic hodely of anti-profilerative chamolinerapy. Angiogenesis is also a feature of several other pathophysiologic states of large unmet medical need (macuter degeneration, psoriasis, and artistits, among others).

Angiogenesis sustains the growth and progression of tumors. Unlike chemotherapy or radiation, both of which can damage normal cells in addition to tumor cells, anti-angiogenic agents are hypothesized to prevent growth of new blood vessels and to disrupt critical tumor survival signals. produced by EC. These agents may keep tumors in a dormant state for as long as the compound is administered and tumor regressions may occur. Proof of this principle has been demonstrated in pre-clinical models. Currently, at least thirteen compounds with anti-angiogenic activity in cancer ste in various phases of clinical development, however few act directly and specifically on the angiogenesis process. Anti-engiogenesis drugs are not expected to replace or compete with current therapies. Instead, if these agents prove to be effective, it is believed that they will be used an supplemental therapy to prevent metastasis following surgery, cytotoxic chemotherapy or cadioherapy. As for cases where borrors have already metastasised, these agents could slow disperse provagation and motivate disease formation. down disease progression and maintain "disease dormancy".

Thrombospondin-1 (TSP-1) was the first natural angiogenesis inhibitor to be discovered. TSP-1 is a large, multifunctional protein. TSP-1 rapidly lithibits EC migration and increases EC apoptosis through activation of caspase-3-like proteases. The normal lissue expression of TSP-1 finits inappropriate neovascularization, however it is transcriptionally activated by the tumor suppressor gene product p53. Therefore, TSP-1 is down-regulated and under-produced in p53 defective tumors. In nodern models, eclopic overexpression of TSP-1 inhibits the malignant phenotype as does direct administration of TSP-1 in the circulation. However, direct clinical test of TSP-1 is not feasible because of its scarcity, large size and multiple other biological functions.

The anglogenic activity of TSP-1 has been localized to the 50,000 MW N-terminal stalk region of The angiogenic activity of 151*-1 has been localized to the \$00,000 lev? N-tenterial scale region. Although this protein, and more specifically to the propertie (Type-1) repasts within this region. Although small synthetic peptides within this region have only weak antianglogenic activity, it was discovered that a single D-amino acid replacement in a propertie region peptide led to an increase in activity of greater than 1000-fold. ABT-510 is a perenterally available nonapeptide. Although ABT-510 competes with TSP-1 for binding to the EC, the exact mechanism of antiangiogenesis is unknown.

ABT 510 is supplied for cinical use as a sterile solution in acetate sait in 5% dextrose. ABT 510 is soluble and stable in water.

In vitro, ABT 510 Inhibits chemotactic VEGF/bFGF-stimulated migration of human microvascular endothelial cells (EC) with an ICSO of approximately 0.250 old. This effect is EC specific ABT-510 (10mg/kg/day subcutaneously) blocks VESF induced corneal vascutarization in mice. It potently and selectively competes with TSP-1, binding the CO 36 receptor.

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ABT 510 inhibits tumor progression in vivo. ABT 510(20mg/kg/day subcutaneous administration) inhibited lumor progression (78% growth inhibition at day 38) in a model of human breast cancer. (MDA-MB-435) growing in the breast pads of nude mice. Dose dependent inhibition of B16F10 (MILIA-MIS-435) growing in the breast pads of riude mice. Dose dependent liabilition of B16F10 melanoma lung metastases was observed in a second murine model. ABT 526, a molecule highly similar to ABT 510 (which was not advanced into human trials because of concatemer formation) was administered to 23 companion dogs (25mg SQ BID) with sporadic cancers (head and neck carcinoma, lymphoma, sarcoma, etc) refractory to conventional chemotherapy. Surprisingly, 2 complete responses, 5 partial responses (>= 50% shrinkage) and 6 cases of disease stabilitization were observed.

Assays for toxicity, histamine release, hernolysis, T-cell function neutrophil migration, platelet aggregation, receptor (CEREP) screening and CNS function were unremarkable. ABT-510 produced no physiologically significant changes in cardiovascular or hemodynamic function in anesthetized dogs. In addition, there were no establish significant changes in function in chemistry profiles or cardiac electrophysiologic function in response to ABT-510. Doses that were many times higher than the predicted efficacious concentration produced a moderate reduction in mean arterial blood pressure in conscious monkeys. ABT-510 was not mutagenic in the Ames assay. It is concluded therefore that ABT-510 has an excellent pre-clinical safety profile.

ABT-510 is currently in Phase I clinical trials. Because of its exceptional safety profile, normal volunteers are being dosed with ABT-510 to establish human safety and pharmacokinetic parameters. Review of these data will lead to a GofNoGo decision for Phase II trials in the Summer of 2001.

The market

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Cytotoxic agents represent the largest, and fastest growing, class of oncology agents by sales volume. The following chart summarizes the value of the current oncology market. The market for products to treat cancer is changing rapidly. It is a growing market fueled by:

Increasing disease incidence

- New product entries
- New therapeutic paradigms
- A growing adjunctive market, which increases the number of patients eligible for

Intense research and competition

The increase in the aging population in developed countries increases the incidence of cancer. The diagnosed cancer incidence and prevalence in seven major markets, including the U.S., France, Germany, Italy, Spain, U.K. and Japan are close to 3 million and 10 million respectively. The numbers are increasing steadily. Currently, about one-fixed of the new medicines in development are increasing steadily. development are targeted against cancer.

Cancer is not a single disease, but includes more than 100 different disorders, which have at their core uncontrolled cell growth. Of these disorders, the cancer types that offer the greatest commercial opportunity include breast, colorectat, tung, ovarian and prostate (based on incidence/prevalence/unmet need). Treatment of breast, tung and prostate cancers account for more than 50 percent of the direct medical costs of cancer therapies. Offer cancer types, specific to one or more of the major international markets, may provide niche opportunities. For international processing the cost of cancer therapies are the cost of cancer the process of cancer therapies. instance, stomach (gastric) cancer is relatively common in Japan but not in the U.S. or Europe; similarly, liver cancer has a greater occurrence in Japan, Italy and Spain.

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Descriptive Memorandum: ABT -510

Depending on tumor type, cancer can be treated with surgery, radiation, chemotherapy (cylotoxic), hormonal therapy or a combination of any of these. For the purpose of this analysis, we will define the cancer market as chemotherapeutics and the adjunctive therapies used to counter the effects of chemotherapy and radiation therapy. The following charts summarize the global sales for these products.

Global Sales by Market Segment (\$ MM)

	1996 Sales	1997 Sales	1998 Sales	CAGR '96-'96
Hormone	4,414	4,784	4,884	5.2%
Cytoloxic	4.278	5,212	6,268	21.0%
Adjunctive	3,367	3,651	4,166	11.2%
Total	12.059	13.647	15,318	12.7%

Sales by Region (\$ MM)

1996 Sales 1997 Sales 1998 Sales CAGR '96-'98
US 5,564 6,276 7,422 15,5%
Ex-US 6,496 7,370 7,896 10,3%

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Chemotherapeutic agents

Cytotoxic therapies include classes such as alkylating agents, anti-tumor antibiotics, anti-metabolites and antibiotics (taxanes). These agents are toxic and demonstrate dose-limiting side effects. The commercial value of this segment is significantly understated, as most of the products are available in generic form.

The growth of the cytotoxic segment in the past three years has been driven primarily by the introduction of new, more effective and expensive therapies such as Taxol (pacificxes/BMS), Genzar (gemcitabine/Lilly), Taxotere (docetaxes/RPR) and Hycamin (topotecan/SB). Utilization of these newer agents, however, appears to be dependent on the cost sensitivity of the local market. For example, secondary sources indicate that Taxol has recorded over 60% of its global sales in the US market alone and is prescribed with far less frequency in the more cost sensitive UK, German and French markets.

Most chemotherapeutic agents are indicated for just one or two cancer types, but get significant off-label use once approved. Up to 60% of an oncology product's use is potentially for off-label indications. Much of this use is driven by the publication of data and/or approvals in other countries.

Hormonal thermoies

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Of the top-selling drugs in each major geographical region, hormone therapies contribute approximately one-third of the sales ex-US and one-fourth in the US. Hormone therapies for the treatment of cancer include Lupron (teuprolide/TAP), Zotatex (goserelin/Zemaca), Notwadex (tamodilen/Zeneca) and other agents used to treat hormone responsive diseases such as prostate and breast cancer. These eigents are generally administered chronically and have reduced side effects compared to cytotoxic therapies. Seles of this category are driven primarily by Lupron and Zotadex. The US market has become increasingly cost sensitive in the Medicare sector, which accounts for over 70% of Lupron sales.

Adjunctive agents

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The availability of effective adjunctive agents also allows the cyloloxic chemotherapeutic agents The availability of effective adjunctive agents also allows the cytoloods chemotherapeutic agents to be administered at higher doses another more frequently, or used in a more political role, since the adjunctive therapies can reduce the impact of the chemotherapy on the petient's quality of title. Agents in this class include immunostimulants, anti-emetics and bisphosphoralies. The growth of this market is linked to the growth of the cytolooic market, as the increased use of cytolooic agents drives an increased use in adjunctive therapy. The highest setting product in this class is Neupogen (filgrastim/Amgen) with 1998 sales of over \$1 billion.

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Biologic Therapy

New therspies under development offer the promise of fulfilling several unmet needs in the treatment of cancer. Experts have predicted that in the future early therapy for breast cancer will be dominated by biological approaches, such as monoclonal antibodies (Flerceptin/Genentech), which is widely thought to have strong market potential. Genentech recently reported strong second quarter sales of the product in the US of \$46.2 million, and it is estimated that if only held of US women with breast cancer who over-express this gene received Herceptin, sales would only \$100 million to activities to reconstituted authorities of the bideated authorities to receive the second authorities. \$600 million. In addition to monoclonal antibodies, other biological approaches include vaccines and gene therapy.

Future Trends

Emerging science in the past decade offers the potential to radically after the paradigm for cancer Emerging science in the past decade offers the potential to racically area the pasturgh for cares thereby and presents opportunities for fundamentally new ways of approaching the disease. New therapies offer the promise of fulfilling several united needs in the treatment of cancer. These include matrix metalloproteinase inhibitors (MMPIs), continued expansion of biologics, photographic therapies (PDT), anti-angiogenics, and multiple drug resistance (MDR) modifiers. This maintet does not yet exist, though success of 'cytostatic-files' treatments, such as fromonal therapies for prostate and breast cancer, suggests that the market potential for cytostatic agents could be significant.

Competition

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The angiogenesis pipeline is very competitive, but this level of intensity is somewhat skewed by the large number of mechanistic approaches that are being claimed to demonstrate angiogenic are large named or mechanism approaches that are pearly claimed to demonstrate anyudyment activity. Furthermore, clear evidence of efficacy for these agents has not yet been demonstrated. For the purposes of this summary, only those compounds considered true anti-englogenic compounds have been included. Companies with compounds in clinical development include Genentech, Entremed, Sugen, TAP, Magainin and Pharmacia Upjohn.

Angiogenesis Compounds in Clinical Development

Compound	Indications	Company	Phase
Neovasiat	Solid turnors	Aelema	183
RhuMab VEGF	Cancar	Genentach	n/m
Vitaxin	Arthritis, psoriesis, CVR	busys	n
SU-5416	Cancer	Sugen	Hali
TNP 470	Cancer, authritis	TAP	A
Thalidomide	Cancer	EntreMed/BMS	į
Squalamine, squalus	Cancer	Magainin	1
RPI 4610	Cancer	Ribozyma	1
VEGF antagonist	Cancer, retinopativ	NeXstar	1
Anglostatin/Endostatin	Cancer	EntreMed	1

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Descriptive Memorandone ART -518

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Unmet Needs

Concer remains the second leading cause of death in the United States, Europe and Japan, and consequently, offers an attractive market opportunity for the pharmaceutical and biotechnology industries. This year about 563,100 Americans are expected to die of cancer, more than 1,500 people a day. In the US, 1 or 4 deaths is due to some form of cancer. In 1999, about 1,221,800 people are as a second of the deaths and the deaths are expected to the deaths. new cancer cases are expected to be diagnosed.

For most cancers, the level of physician satisfaction with current therapies is low. It has long been recognized by researchers, physicians, patients and family members that current treatment options may often be as devastating as the underlying disease.

Unmet needs in this market vary by lumor types and stages, with some barrors responding to treatment with better montality and/or morbidity results than others. However, cancer is still treated as a terminal illness with significant shortcomings in present treatments. In general, unmet needs include:

Need of the American	ART 510 Attribute
Enhanced efficacy of therapeutic spents	Potential for enhanced efficacy
Reduced loxicity	Potential for reduced loxicity over current cytoloxic treatment
Improvements in drug administration	TBD
Improved target delivery of cytoloxics and novel therapeutics	Unknown
Proven outcomes data	Cuality of Life and Pharmacoeconomics to be

Considerations

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Product Usage: Physicians have indicated that they would use anti-angiogenic agents initially in Product Usage: Physicians have indicated that they would use anti-angiogenic agents initially in their more refractory patients, as follow-on or add-on to current best therapy (chemo or surgicat). With experience and clinical environce, they would be witting to use these agents in earlier stages of the disease, where they perceived the greatest benefit to be. Anti-angiogenesis agents are reparted as a maintenance therapy to be used in early disease or after primary therapy as a prophytectic process to prevent the spread of matignancy. Of course, their ultimate use will depend on the benefit provided, which cannot be determined until clinical trials have been completed. Efficacy evidence in humans manifested by tumor response of the magnitude seen in the preliminary dog studies would stimulate tremendous enthusiasm in the oncology community.

Product Senetits/Efficacy. Physicians are looking for improvements in time to iumor progression and prevention of metastases with cylostatic agents. There is a great deal of enthusiasm for this mechanism in the scientific and by audience. The concept is very intuitive. Products, such as ABT-510, that promise a clinical benefit without the usual toxic trade-offs associated with current chemotherapeutic agents, will be enthusiastically received by oncologists.

Side Effects The proposed safety profile of anti-engingenic agents may enhance usage, as the dose limiting texticity profiles of most of the other available agents has established a much lower hurdle for demonstrating a preferred profile. However, as chronic therapy, anti-angiogenic agents may have to demonstrate a cleaner profile than cytotoxic agents do to ensure compliance.

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Off-label use: Off-label use accounts for between 30-60% of an oncology product's usage. Off-label use is driven by publication of clinical trial results in credible journals, listing in key compendia and/or a pear's experience with the product. Therefore, development spend for off-label use is considerably less than the spend required for regulatory approval of an indication. However, promotion of these off-tabel uses is limited.

Other indications: ABT-510 may be effective in other therapeutic roles, such as artiritic diseases and macular degeneration. These other indications may offer a commercial upside, through internal development or co-development/out-licensing opportunities.

Competition: While there are a relatively large number of angiogenesis inhibitors in development, It is unclear whether they will demonstrate a superior efficacy or side-effect profile vs. ABT-510. The mechanism of angiogenesis suggests that multiple anti-angiogenic approaches may be required to maximize the clinical benefit.

COGS: Initial estimates on finished cost of drug place it in the range of Lupron costs. Depending on final dosing requirements, the cost of this compound could become a significant obstacle. However, this will need to be considered in light of the pricing flexibility in the oncology market, where there is limited pricing sensitivity for products that are relimbursed. Any financial analysis will need to include royalty obligations to Northwestern University.

Dosing: There is still some uncertainty regarding the route of administration and feasible dosage forms for ABT-510. An "inconvenient" formulation leaves this product extremely vulnerable to competitors with more convenient dosage forms. A convenient dosage form, such as a monthly depot, will enhance product adoption over a less convenient form. However, the effect of the various dosage forms on product adoption will be distributed; on the benefits the compound provides, side-effect profile and availability of competitive agents with more convenient dosage forms. For chronic therapy, convenience will play an important role in market penetration, given atternative agents. Although less convenient than oral therapy, parenteral therapy (depot, but not self-administered sith-cutanaous) is currently reimbursed by Medicare in the US. Over 60% of all cancer patients have Medicare as their primary healthcare coverage in the US.

Development/Regulatory: With a new class of compounds, there is not a clearly defined clinical development path or regulatory guidelines for reference. This hurdle is similar for all the competitive products, but increases the overall development risk profile for these agents. However, with several anti-angiogenic agents in late stage development, Abbott can learn from

Other Approaches: Other "cytostatic" approaches may present a competitive threat if they are used as substitutes. Due to the complexity of the pathogenesis of cancer, it is more likely that these agents will be used in combinations, but incremental benefits may become more difficult to demonstrate as the number of products and approaches multiply. This will require additional studies, as these other classes become part of standard cancer treatment. However, this threat is not unique to this compensation. is not unique to this compound.

Pricing: The treatment of cancer is expensive, so there is the potential for a great deal of pricing Resibility in this market. There is also an increasing emphasis on cost-effectiveness studies that will need to be addressed in the development plan.

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ABT - 518

Descriptive Memorandum

February 2001

Abbott Laboratories

MMPI

Overview

Abbolt's Matrix Metalloproteinase Inhibitor (MMPI) program represents a novel therapeutic class. ADDUES MAYIX INSURPOPERIES RESIDENC (MINER) program represents a novel seasybotic cass, with the potential to after the way that cancer is leasted by preventing or motion disease progression and/or metastases. This more 'chronic' approach to therapy has the potential to transform cancer into a disease that patients live with, much like the effect of HIV protease inhibitors on patients with AIDS. It also has the potential to expand the cancer market significantly by increasing the average length of treatment and expanding the pool of patients eligible to receive therapy.

The MMPs comprise a family of enzymes that degrade a wide range of matrix protein substrates. High expression of these enzymes occurs in cancer and is associated with the ability of tumors to grow, invade, develop new blood vessels and metastasize.

MMP inhibitors (MMPIs) may suppress the progression of tumors by several mechanisms;

- Suppress invasion/metastasis by blocking the membrane traversal and access to blood/lymphatic vessels
- Blocking the remodeling of extra-cellular matrix in the vicinity of primary lumors to prevent stroma-bound growth factors from stimulating tumor growth
- Blocking angiogenesis by preventing the proliteration and migration of endothelial cells and neovascularization of tumor,

Experimental evidence suggests that gelatinase A and gelatinase B are particularly important in burior progression, consequently the project team has targeted gelatinase selective inhibitors for the treatment of cancer. Another reason for targeting highly gelatinase selective MMP inhibitors relates to the side effect profile exhibited by broad-spectrum agents like marinestat. Chronic administration of marinestat causes a dose-limiting side effect characterized by severe joint print and stiffness. Since these joint effects may be mediated by inhibition of other MMPs like fibroblast collegenase, highly gelatinase selective agents may be efficacious without producing dose-limiting

The MMP selectivity profile exhibited by AST-518 distinguishes it from competitor's compounds. ABT-518 possesses sub-nanomolar inhibition potencies versus both gelatinase A and gelatinase B and is substantially more selective for the inhibition of the gelatinases over fibroblast collegenase than marinestat and prinomastat. Despite its high selectivity, ABT-518 demonstrates antitumor activity equal or superior to prinomastat, inhibition of tumor growth is dose dependent in both syngenetic and xenografi models. ABT-518 is a stable crystalline solid which can be synthesized in the stable of the collective in blocking vessel formation in a six steps (25% overall yield) from commercial starting material.

ABT-518 gives rise to sustained plasma concentrations following single oral dosing in moulays, dogs and rats. Bioevailabilities range between 68 and 93% depending on iomization and species. Several metabolities are produced after repeated oral dosing of ABT-518, although their relative amounts varies with gender and species.

ABT-518 displays no meaningful effects in genotoxicity, cytotoxicity and figand binding assays and its cardiovescular effects in dogs are unremarkable. ABT-518 produces no significant toxic effects in rats treated with 100 mg/kg/day over 28 days. Plasma concentrations generated by ABT-518 in these studies are at least 20-fold higher than those necessary to produce efficacy in cancer animal models. ABT-518 is therefore a compelling development candidate with the potential to

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demonstrate antitumor effects superior to the MMP inhibitors currently undergoing clinical trials. Phase 1 clinical trials in cancer patients began March 2001.

The market

Currently, cytotoxic agents represent the largest, and fastest growing, class of oncology agents by sales volume. The following chart summarizes the value of the current oncology market.

Global Sales by Market Segment (\$ MM)

	1996 Sales	1997 Sales	1998 Sales	1999 Sales (est)	CAGR '96-'98
Hormone	4,414	4,784	4,884	5,000	5.2%
Cytoladic	4.278	5,212	6,258	7,300	21.0%
Adjunctive	3,367	3.651 .	4,166	4,900	11.2%
Total	12,059	13,647	15,318	17,200	12.7%

Source: Datamonitor

Sales by Region (\$ MM)

** ** ****** ** ** ** ** ** ** ** ** **	1996 Sales	1997 Sales	1998 Sales	1999 Sales (est)	CAGR '96-'98
US	5,584	5,2 76	7,422	8,500	15.5%
Ex-US	6,495	7,370	7,896	8.700	10.3%

Source: Datamento

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Cytostatic agents have the potential to alter the way cancer is treated and presents opportunities for fundamentally new ways of approaching the disease. This cytostatic market does not yet exist, though success of more cytostatic "like" treatments, such as hormonal therapies for prostate and breast cancer, suggest that the market potential for cytostatic agents could be significant.

The ultimate commercial and clinical success of the MMPI will depend on the clinical benefit this product provides in key cancer types compared with current best therapy. These can be benefits provided by dosing this agent in addition to current therapy and/or as an alternative to best therapy, or as a new component of best therapy. All currently available products, including the market leaders such as Taxol, have significant shortcomings in their profiles.

However, as novel therapy, MMPs will probably be adopted initially as add-on the current chemotherapy. As benefits are proven and clinical experience is gained, these agents may be used in earlier stages of cancer and/or in conjunction with surgery or radiation to prevent the progression of any microscopic disease that remains.

The clinical targets identified for this compound include late stage pancreatic cancer, take stage NSCL cancer (on-lates), with late stage ovarian and breast cancer as additional cancer types where efficacy has been demonstrated, but not filed. Other cancer types this compound may be efficaclous in include SCL, colorectal, bladder, stomach and prostats. Targets will be refined as we know more about this compound's in-vivo activity.

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The following tables summarize the key marketed competitive products by indication (US data

Late Stage Breast			
Product	Share		
Cyclophosphamide/Cytoxan/BMS	18.7		
Downubicin/Adriamycin/P&U	17.11		
Docetaxel/Taxotere/RPR	16.25		
PacifiaxeVTextol/BMS	16.11		
Tractuzumetr/Herceptin/Genetects	11.28		

Late Stage NSCL		
Product	Share	
Carboplatin/Parapletin/BMS	50.32	
PacifiaxeVTaxoVBMS	44.14	
Vinorelbine/Navelbine/Glaxo	22.78	
Gemcitabline/Gemzar/Lilly	22,14	
Cisplatin/Platinol/BM9	11,28	

Late Stage Ovarion			
Product	Share		
Paclitaxel/Taxol/BMS	47.11		
Carboplatin/Paraplatin/BMS	45.42		
Tepotecan/i-lycamtin/SKB	· 22.54		
Dat St./Doxdi/Alza	9.14		
Cispistin/Platinol/BMS	7.58		

Late Stage Pan	creas
Product	Share
Gemcitabine/Gemzan/Lilly	78.5
5-FU/Eludeo/ICN Pharma	21.0
Leucovorin/	10,7
Cisolatin/Piatinol/BMS	4.72

Compounds in Development

The MMP inhibitor field is competitive. More than 30 firms have filed patents claiming small molecule MMP inhibitors over the past 5 years, and several companies have compounds in advanced clinical development. Abboti's compound may be 3rd or 4rd to market and will have to demonstrate a competitive advantage to gain the share necessary to support the clinical development of this compound. Companies with compounds in advanced clinical development for the treatment of cancer include Agouron/Warner Lambert/Pitzer, British Biotechnology/Schering Plough and BMS and are listed below. Other companies are targeting this mechanism for arthritis mechanism for arthritis.

MMPIs in Clinical Development for Cancer

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-1	Compound	Company Page 12	Comments	Phase
		BritishBiotechnology/ Schering Plough	Broad spectrum, dose limiting toxicity. Activity seen in gastric cancer, but negative results in pancrealic.	Di .
	Prinomastat	Agouron* Warner Lambert* Pilzer	Moderate gelatinase selectivity, dose limiting toxicity. May be dosing sub-optimally to avoid toxicity. Efficacy data not available.	H
	BMS 275291	BMS	Broad spectrum, joint effects seen in Phase I studies.	ž

Bayer recently dropped development of BAY 12-9566 due to concerns about potential toxicity. Recent results from a study with marimistat in pancreatic cancer, where adding marimistat to Genzar resulted in no survival advantage, has led to speculation that MMPIs may be more applicable in less aggressive cancer types or earlier stages of the disease. Alternatively, it could be a reflection of the installity to examine higher doses of marimastat due to joint effects.

The joint effects produced by the compounds listed above almost certainly preclude their long-term use, limit compliance and l'épicte optimal éfficacy. Any MMP Inhibitor that lacks these side effects will possess a substantial-competitive advantage. The musculoskeletal effect produced by marinestet and prinomastic in cancer patients is typically described as arthralgis, and tendinitis, which occurs predominately in the upper limbs. While mild cases respond to analgedics, interrupting therapy for a period of approximately 2 weeks is necessary when the condition is less wall toterated.

Although Abbott's liming to market is not optimal, the shortcomings of the competitive products provide an opportunity for a compound with an improved SE or efficacy profile. Current animal models seem to predict Abbott's compound is superior to those currently in clinical trials, and has the potential to be best in class.

Product profile

The objective of a product profile at this time in the product's development is to provide a target for the types of attributes that will be required to be commercially successful. This profile is based on market research with oncologists and consultation with opinion leaders. This profile will continue to be refined as more is known about this product's profile, development of competitive products and the market continues to evolve.

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	ABT-518, alone or in combination with best therapy, provides at least one of	

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	the following benefits in at least one solld fulfior type:	
	Increased survival Tunor regression Improved quality of the Increased firms to Immortdisease progression	·
Competitive advantage	ABT-518 will need to demonstrate a claimary significant advantage in efficacy (nee parameters above) or odditive synergistic activity with committeerrepolities apents ar claimary significant advantage in side-effect profits usualize to other MMST agents.	Same
Administration	Convenient administration retative to competitive agents.	Same plus reimbursement in US marint.
COGS	A finished cost of goods that is consistent with at least on 84% standard manufacturing margin.	A finished cost of goods that is consistent with at least a 90% standard manufacturing margin.

Marketing overview

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Product Usage: Physicians'have indicated that they would use MMPIs initially in their more retractory patients, as follow-on or add-on to current best therapy (chemo or surgical). With experience and clinical evidence, they would be willing to use these agents in earlier stages of the disease, where they perceived the greatest benefit to be. The MMPI was regarded as a maintenance therapy to be used in early disease or after primary therapy as a prophytectic amount of maintenance. process to prevent the spread of malignancy.

Product Benefits/Efficacy: Physicians are looking for improvements in time to turnor progression and prevention of metastases with cytostatic agents. The MMPI mechanism has more recently been implicated as having an even more active role in cancer pathogenesis, from preventing primary turnor growth to anti-engingentic properties. Positive results from competitive agents, such as maximistat in gastric cancer, provides proof of principle for this mechanism.

Side Effects: The proposed safety profile of MMPIs (excluding joint toxicity) may enhance usage, as the dose limiting toxicity profiles of most of the other available agents has established a much lower hurdle for demonstrating a preferred profile. However, as chronic therapy, MMPIs may have to demonstrate a cleaner profile than cylolands agents do to ensure compliance. As the 3" or 4" MMPI to market, SE hurdles will be even higher for this compound. As a critical Gorbto Gorbto General market in the second of these transitions of the compound. decision point, the joint toxicity of this compound will be evaluated in an expanded Phase I multi-

Dosing: Discovery is corrently targeting an oral dosage form. In general, oral therapies are acknowledged by physicians and patients as being more convenient to the patient. Chronic oral dosing may also reduce overall costs, as infusion support products and personnel would not be required, enhancing pharmacoeconomic evidence.

COGS: Initial estimates on finished cost of drug suggest that drug costs will not be significant for this compound

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Descriptive Memorandum: ABT - 518

Off-label use: Off label use accounts for between 30-50% of an oncology product's usage. Off-label use is driven by publication of clinical trial results in credible journals, listing in key-compendia and/or a peer's experience with the product. Therefore, development spend for off-label use is considerably less than the spend required for regulatory approvel of an indication. However, promotion of these off-label uses is limited.

Competition: As the 3rd or 4th MMPI to market, Abbott's compound will need to demonstrate a meaningful clinical advantage over compounds that are in more advanced development. Stifut GofNo Go criteria will determine if the MMPI can meet these hurdles. If they cannot be met, the compound will not move forward.

Development/Regulatory: With a new class of compounds, there is not a clearly defined clinical development path or regulatory guidelines for reference. This hundle is similar for all the competitive products, but increases the overall development risk profile for these agents. However, with several MMPIs in late stage development, Abbott can learn from their experience.

Other Approaches: Other "cytostatic" approaches may present a competitive threat if they are used as substitutes. Due to the complexity of the pathogenesis of cancer, it is more likely that these agents will be used in combinations, but incremental benefits may become more difficult to demonstrate as the number of products and approaches multiply. This will require additional studies, as these other classes become part of standard cancer treatment. However, this threat is not unique to this compound.

Pricing: The treatment of cancer is expensive, so there is the potential for a great deal of pricing flexibility in this market. However, as an oral therapy in the US market, there may be additional downward price pressure for this agent. There is also an increasing emphasis on cost-effectivitness studies that will need to be addressed in the development plan.

Dosing: Discovery is currently targetting an orbit dosage form. In general, oral therapies are preferred by physicians and patients because of the convenience to the patient. However, this form may not be the best choice for some people who already have cartain digestive system symptoms (vomiting, diarrhea, or severe neusea), cannot swallow liquids or pills, or cannot temeraber when or how many pills to take. Additionally, in the US market there are several unique factors that currently do not favor oral therapies. Novel oral therapies are not currently reimbursed by Medicare, a significant payer for the oncology patient population. Also, 40-60% of a community oncologist's income is generated through the administration of IV drugs. An oral therapy would not be a source of pevenue to the physician.

Clinical Studies

Clinical studies across a wide range of solid tumors will be initiated, including but not limited to breast cancer, non small cell lung cancer, ovarian cancer, pancreatic cancer, etc...

Final indications pursued will depend from the results of the phase il studies.

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Descriptive Memorandum; ABT - 578

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Farnesyltranserase Inhibitor

Descriptive Memorandum

February 2001

Abbott Laboratories

JH 008200

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Overview

The Ras genes were the first encogenes of mammalian origin to be discovered. Intensive research over the last decade has led to the elucidation of the normal function of cellular Ras protein, the role of Ras mutations in oncogenic transformation, and the identification of molecular targets, such as the enzyme tamesyltransferase, for inhibiting Ras activity. Although farmesyltransferase inhibitions (i-Tis) were initially designed with the intention of inhibiting the postrensiational prenylation, and hence function, of Ras, it is now becoming apparent that tamesyltated proteins other than Ras (e.g., Rhot) are also critical for malignant growth and may be the relevant target for inhibition of farmesylation. While it remains controversial whether blocking Ras activity or attempt the Rhot prenylation status is the actual function of an FTI, these agents, exemptified by ABT-839 and FTIs in the clinic, exhibit remarkable anticancer activity against a wide variety of tumors in preclinical models. The current FTI program is projected to reach DDC status in January, 2001. research over the last decade has led to the elucidation of the normal function of cellular Ras

Abbott evaluated one FTI, ABT-839, in normal volunteers, but decided to discontinue development of this drug due to its poor pharmacokinetic profile. Invaluable experience was gained, however, from both the practinical and clinical studies with this compound. Abbott's second-generation series are novel structures that exhibit significantly improved potency and oral bioavailability.

There continues to be tremendous entirusiasm in the medical community and pharmacautical industry for this mechanism of action. Farnesyltransterase inhibitors have demonstrated impressive antitumor activity in preclinical models with activity equivalent to or better than that achieved with conventional cytotoxic chemotherapy given at the maximal tolerated dose. These agents appear to inhibit angiogenesis and, consistent with this activity, minimal resistance has been observed in preclinical models. The potential also exists for synergistic activity in combination with cylotoxic charactherapy.

The market

Cancer remains the second leading cause of death in the US, and consequently is an attractive market opportunity for the phatmaceutical/biotechnology industries. Approximately 40% of all Americans will develop cancer in their lifetime.

The worldwide cytotoxic and hormonal cancer therapies market is highly fragmented with only BMS and Zeneca holding a greater than 10% market share. Although the market is not concentrated, the field is highly competitive with more than 60 companies tocused on the cancer research area. The growth of the oncology market is fueled by increasing disease incidence, new product entries, new therapeutic approaches, a growing adjunct therapy market that expands the number of patients eligible for chemotherapy, and intensitied research competition. The data in monour or patients eigible for chamorinerapy, and intensined research competition. The data in Tables 1 and 2 summarize the value of the current oncology market. A great deal of uncertainty surrounds the concept of cylostatic treatment of cancer. Conceptually it may transform the way cancer is treated, allowing patients longer disease free survival and improved quality of Me.

However, at this point in development, this paradigm does not exist in cancer. Considering market, clinical and patient dynamics factors, breast, colorectal, prostate and non-small opt lung cancers are the most attractive targets for development.

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Descriptive Memorandum, FTI CONFIDENTIAL

Table 1. Global sales by market segment (\$ MAI)					
	1998 Sales	1997 Sales	1995 Sales	1999 Sales (est.)	CAGR 96-98
Homone	4,414	4,784	4884	5,000	5.2%
Cytotoxic	4.278	5.212	5,268	7,300	21.0%
Adjunctive	3.367	3.651	4,166	4,990	11.2%
Total	12,059	13,647	15,318	17.200	12.7%

Table 2.	Sales by region (S MAQ			
	1996 Sales	1997 Sales	1998 Sales'	1999 Sales (est.)	CAGR 96
US	5,564	6,276	7,422	8,500	15.5%
	- 102	7 970	7 805	à 70∩	10 3%

Source: Datemonitor

Cytostatic agents have the potential to alter the way cancer is treated and presents opportunities for fundamentally new ways of approaching the disease. This cytostatic market does not yet exist, though success of more cytostatic "like" treatments, such as hormonal therapies for prostate and breast cancer, suggest that the market potential for cytostatic agents could be significant.

The utilimate commercial and clinical success of the FTI will depend on the clinical benefit this product provides in key cancer types compared with current best therapy. These can be benefits provided by dosing this agent in addition to current therapy and/or as an alternative to best therapy, or as a new component of best therapy. All currently available products, including the market leaders such as Taxol, have significant shortcomings in their profiles.

However, as novel therapy, FTIs will probably be adopted initially as add-ons to current chemotherapy. As benefits are proven and clinical experience is gained, these agents may be used in earlier stages of cancer and/or in conjunction with surgery or radiation to prevent the progression of any microscopic disease that remains.

The clinical targets identified for this compound include late stage pancreatic cancer, late stage NSCL cancer (on-label), with late stage ovarian and breast cancer as additional cancer types where efficacy has been demonstrated, but not filed. Other cancer types this compound may be efficacious in include SCL, colorectal, bladder, stomach and prostate. Targets will be refined as we know more about this compound's in-vivo activity.

The following tables summarize the key marketed competitive products by indication (US data only):

Late Stage Breast		
Product	Share	
Cyclophosphamide/Cytoxan/BMS	18.7	
Doxorubich/Adriamych/P&U	17.11	
Docelaxel/Taxotere/RPR	16.25	
Pacifiaxel/Taxol/BMS	16.11	
Trastuzumab/Herceptin/Genetech	11.26	

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Descriptive Memorandum, FII CONFIDENTIAL

Late Stage NS	KL
Product	Share
Carboptatin/Paraplatin/BMS	50.32
Pacifiaxe/Taxol/BMS	44.14
Vinoreibine/Naveibine/Glaxo	22.78
Gencitabine/Genzar/Lily	22.14
Cancian Contractor	11,28
Cisptatin/Platinol/BMS	

Late Stage Ov	erian
Product	Share
Pacifiaxel/Taxol/BMS	47.11
Carbopletin/Paraplatin/BMS	45.42
Topotecan/Hycamtin/SKB	22.54
Dox SL/DoxiVAlza	9.14
Cisptatin/Piatinot/BMS	7.58

Lake Stage Par	creas
Product	Share
GemcRabine/Gemzar/Lilly	78.5
5-FU/Eludex/ICN Pharma	21.0
Leucovorin/	10.Ż
Cisplath/Platinol/BMS	4.72

Emerging science within the past decade has radically altered the paradigm for cancer therapy ... constraints which has been compared to the impact of protests in the paragraph of cancer therapy ... and presents opportunities for fundamentally new ways of approaching the disease. Abboth has multiple discovery cytostatic targets, which may improve effective, but we are not alone: more than 200 compounds from other players are in development. The goal of cytostatic therapy is to improve quality of life, controlling the disease and transforming aggressive treatment to a chronic condition, which has been compared to the impact of protease inhibitors on the course of HIV.

Clinical Studies

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Considering all the factors, market, clinical and patient dynamics, breast, coloractal, prostate and non-small cell lung concer appear to be the most attractive targets for development. The development of cytostatic agents (acces a number of challenges as regulatory agencies and physicians evaluate the new emerging paradigm of cancer therapy.

Despite the enormous medical need, drugs for chronic treatment/disease stabilization and improved quality of tile for cancer patients do not yet exist. Correspondingly, animal models text efficacy that has not yet been validated as predictive of response in humans, Medical oncologists have historically depended on determination of maximum tolerated dose and response manifested by ternor shrinkege for cancer drug development. These parameters are not relevant to novel "cytostatic" agents. Combination with conventional cytotoxic drugs will be required in the near term and will have to be determined empirically, intermediate and surrogate measures of biological response will have to be developed. Regulatory agencies are grappling with the same issues.

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Competition:

Within Project Assuranch

Company	Compount	hdication .	Status of compound	Status of project
Jacobs Philippines (C)	B-11977 (A-25年99年)	Gencer (ampecified)	Phase II	active
Schoolse Placeh	Sch68306 (A-285622)	Cancer Immeration	Pleas I	action
Merck	L-778023	Concur beoperitors	Phote (Ex.) alandoned	winos
British Ligers Squible	BMS-294662	Concer banapactical	Phone I	2009
tG Cheekal	LI 42508	Concer (anapacified)	pacinical	pring
Ridge-Podenc Resur	admirative desiration	Cancer bespectfed	pechated	ade
Plea	orbana pincipe	Concertunipedies		Ma
Partie-David	uningen structure	Concer Inspection	profess)	REFRE
Recht	pepitipplend:	Concer Inspecting	perhabi	abandonte project
944	pentitonimetes	Cancer Suspecified)	melabal	ahandoned project
Barrye	FPP about:	Cancer (encoulier)		urbourt
ICER .	1 835-3503 (sea palicersa)	Cancer (exaperation)	Phesa i	adia

Within Therapeutic Area

Appreach	Selected Compounds	Companylies)	Status
andresses	518.3621, 608, 5132	1515-	phase !
Chopeng adents	comotosse CLARR Surplus, Contac.	PED, Vizmer Lanbert, Scheing, Lilly, SKB, 2010 Januaries: Alliquit, Roche, 2010co	cost phase M
differentiales	terquelit, pagraths, 5-ecocytélise	Upond, NCI	Upand in phase 1998
drug resistance predices	YX-710, 774CBS, 704P-7, CT-2584	Vertex, Glaro Walksone, Albertus, Cell Yearspecies	Vertex to phase 8
gene herapy	Ompadis, "MDPx L GL-321, 1L-2, GV- 1304	Coyx, Introgen, Thesian Biologics, Theorem, Sensile Therapy, Cycloul, RPR Gencol, Genelitelicitm, Tilan, etc.	Restricted to accessible cancers. Most adequiced Phone III
hermonal herapy	Zelodes, amildes, destudies, Cacolat, Risker, Catodes, moletimite	Zanacz, Pilzec, Novadk, Jasenen, US Moccience	esoci phote Si
inmontherapy			<u> </u>
adiolis.	IDEC-Y2N/288, and HERO, and EGFR	IDEC, Genetich, InClone	IDEC monthly approved, others phase in
C(talding)	IL-12. IL-4, Protection, Robsep-A	Reche, Schering, China, Rache	place M
vaccines	N-gp 108, General, MGV	Apollon, Theylox, Propeelics	phone i. II
photodynamic	photolin, promptin	CET photo, Vice	photo III
radioden sensitiass	New Companière radimi	Outcome, Roberts	phone II, II
metalesmiches billion	madesant, AC-3349, CGS-27923A	Bullets Motech, Agentus, Montale, Buyer	SMT in phosp-III
angiogenesia kitikkas	THP-17E, 80-511E, and VESF-mile, Buildwalde, UC101	TAP, Bogutt, Generalith, Enderson, ImClone, alt	use engingerenis project egvien for details

-CONFIDENTIAL JH 008204

escriptive Memorandum, FTI CONFIDENTIAL

Competitive Analysis

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The project is on par with others in the inclustry. White second generation Abbott compounds are not yet in clinic, all of the compounds from other companies that are in clinical trials have deficiencies. While the Schering compound has the best oral PK profile. It is not particularly potent. The Janssen compound is potent, but has a poor PK profile. The Merck compound exhibited QTc prologation and development has been stopped. The Bristol Myers Squib compound, BMS-214662, which is in phase I, is an in vitro submicromolar inducer of apoptosis in human humor cells and appears to be the most potent inducer of apoptosis of the known FTIs. This compound could have a different ancharism of action from the classical FTIs and have its own liabilities. LG42908 from LG Chemical is potent FTI and has good invariability (Fe 91% in monkey), however, it's a CYP3A4 inhibitor and will have significant drug-drug interaction liabilities. Extensive practinical pharmacology at Abbott has defined optimum parameters for a FTase inhibitor that may not be known to our competitors, or be achievable with the current generation of FTIs. Although not yet established, we anticipate that the Abbott compound with be improved over competitors' compounds with respect to potency, oral bioavailability, hall-life, toxicity, efficacy, angiogenesis inhibition, and tack of resistance.

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Descriptive Memorandum, FII CONFIDENTIAL

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DOPAMINE RECEPTOR AGONIST PROGRAM

Descriptive Memorandum

February 2001

Abbott Laboratories

CONFIDENTIAL JH 008206

D4 Agonists for Male Erectile Dysfunction

Scientific Overview

Male erectile dysfunction (MED) is defined as the "inability to maintain an erection sufficient for satisfactory sexual intercourse" (NH Consensus Panel) and results from physiological (organic), psychogenic causes, or a combination thereof. This disorder is associated with decreased quality psychogenic causes, or a combination thereof. This disorder is associated with decreased quality of life, including personal well being, and diminished family and social relationships. In 1999, an estimated 77 million men over the age of 40 (52% of men over 40 years-old) in the seven major pharmaceutical markets experienced some degree of MED, and the prevalence increases with age. Approximately 10-20% of patients have severe or complete MED, and the majority of the population suffers from moderate disease. While the introduction of Viagra has increased the diagnosis rate of MED in the U.S., 75% or more of patients do not seek treatment. However, as the "baby boomer" generation ages, MED will become a more prominent concern and a growing number of patients are fleely to seek treatment.

Abbott's male erectile dysfunction program targeting D4 departine receptors represents a novel therapeutic approach to the rapidly growing male erectile dysfunction (MED) market. The current gold standard for the treatment of MED, Viagra, acts peripherally at the perite smooth muscle level to induce erection by modulating the levels of cGMP. In contrast, a selective D4 departine agenist will act in the brain at the sites necessary for initiation of a successful erection. Targeting the D4 receptors in brain offers the potential for efficacy in patients with MED that do not respond to Viagra (for example patients with diabetes). Additionally, targeting D4 receptors should not result in any cardiovascular adverse events unlike Viagra which can cause serious cardiovascular effects in patients who are on nitroglycerine-based medications. Since safety is of paramount importance for any life-style disorder like MED, a new agent that does not have any contraindications or warnings related to safety issues may be positioned to become the gold-standard therapy. standard therapy.

Evidence for the potential of a selective D4 doparatine receptor agonist for the treatment of erectile dysfunction includes:

- The non-selective dopamine receptor agonist apomorphine (UprimaTM) has been shown to be effective in phase III clinical trials, and has received scientific approval for market in the EU, for the treatment of MED. This validates the utility of dopaminergic agonists to facilitate pealle erections in humans. However, the clinical development of apomorphine for the US market has been hampered by dose smilling side-effects (emesis and syncope). syncope).
- Studies at Abbott have established that the efficacy of apomorphine (purile erection) and success at Addition may established that the emiscry of approximate (period wetching and side-effect (emesis) are mediated by different dopamine receptor subtypes. There are 5 known dopamine receptors. Abbott scientists have discovered that the selective activation of D₄ receptors can tacilitate period erection in animals, while the D₂ receptor appears to mediate the emetic effect of apomorphine. The discovery of a D₄ selective agonists maximizes the possibility to identify a compound with equivalent/superior efficacy to apomorphine but devoid of its side-effect liabilities.

PPD is currently acreening the Abbott library of compounds to identify novel and proprietary D4 dopemine receptor compounds. Initial hits have been identified that are as potent as any known D4 dopamine receptor agonist. The strategy is to aggressively profile these hits for selectivity across the five different dopamine receptor subtypes and to ensure that selective agents are effective in a number of practicital in vivo models of MED and have no emetic or cardiovascular. side effects. The D4 dopartime receptor agonist program will be discontinued if selective D4 agonists do not achieve at least a 30-fold separation between efficacy in a model of MED and cardiovasculariemetic side effects.

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Abbott has a competitive adventage in the tace to exploit selective D4 dopernine receptor agonists for MED. A patent application covering the use of any selective D4 agonist for the treatment of MED has been filled and no other pharmaceutical company may have the range of preclinical models of officacy and safety in addition to access to the clinical information gained from the development of apomorphine. Our molecular modeling group has facilitated advances in the design of selective D4 agonists.

Market Analysis

The introduction of Viagra combined with increased disease awareness resulted in the MED market in the US exploding from \$157MM in 1997 to an estimated \$726MM in 2000. Worthwide, this market has seen similar growth, and is estimated at \$500MM for ex-US for 2000. Viagra currently dominates the MED market, with more than \$15Million in sales in the \$1.3 billion workholds market in 1999, and >95% of the MED prescriptions in the US. The market growth is expected to continue, with an estimated CAGR in the US of 17.9% (2000 – 2005), fueled by increased awareness of MED, expanded use to wider patient segments for relationship or performance enhancement, and the introduction of heavily promoted new agents. Downward pressure on growth will come from continued perceptions of safety concerns, the limited efficacy of Viagra and out-of-pocket cost to patients.

Market drivers influencing the potential of a D4 dopamine receptor agonist include:

- Patient Awareness and Demand Vagra has built considerable awareness of MED.
 However, in the US, only 10-25% of current MED patients seek treatment for this disorder. Ex-US the percentage of patients seeking treatment is lower (10%). This is mainly due to the lack of DTC promotional campaigns in the ex-US markets. Further market expansion requires continued patient and physician education.
- <u>Product Safety.</u> There are growing patient and regulatory concerns regarding the safety
 of Visgra. While, physicians currently perceive Visgra⁷⁶ to be safe, if used by the correct
 patients, there is significant concern regarding the concomitant use of nitrates for
 cardiovascular disorders with Visgra. Approximately 10% of Visgra patient deaths have
 been attributed to use of nitrates. Thus, there is an opportunity to eliminate this concern
 for physicians and to expand the market.
- Product Efficace: In clinical trials Viagra allowed successful intercourse in about 50% of attempts. The limited and inconsistent efficacy of the product has resulted in patient diseasisfaction and discontinuation, thus creating a chance to drive Viagra quitters or switchers, as well as new patients, to new, more effective, MED products. The demonstration of efficacy in a broader population of MED patients might also influence physicians to by an atternative product prior to Viagra. The delay in onset (-thr) and the variability in onset of action from patient to patient is an additional complaint about Viagra. Product features of a selective D4 agonts such as a more rapid enset of action or more reproducible onset will have a positive influence on the market opportunity for MED therapies.
- Additional Indications: Use of a D4 dopamine receptor agon in other indications such as "relationship enhancement" (lemate sexual dystinuction and age-related decline in male sexual performance) offers an opportunity to both expand the potential market to include women and non-MED sufferers, and reduce the emberrassment of MED for patients. Additional research is required to identify meaningful andpoints in this expanded indication, initial studies conducted by Pfizer showed that Viagra was not effective to treat lemale sexual dystunction.

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Competitive Overview

The following tables summarize the key competitive activities in regard to marketed products and products in the development pipeline. To date there are no reports any other company targeting selective D4 agorists for the treatment of MED, although a number of companies do have activities in the dopamine receptor arena for other indications that could be re-focused to MED if they became aware of Abbotit's insights into the D4 receptor.

A. Oral agents

Approach	CompoundProduct	Company(les)	States
POES inhibition	Sidene & (Mages ¹⁴)	Plizar	Marketed
DA receptor	Apomorphine (Uprima**)	TAP	NDA Sling withdrawn
Adrenergic	Pheniotamine (Vasomex ³⁴)	Schering-Plough/Zonagen	NOA filing on hold (>1 year)
PDE5 inhibition	1C351 (Clalis ¹⁵)	ICOS-Lilly	Phase #
PDE5 inhibition	Vardensiil	Bayer	Phase 1-III

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Appreach	CompoundiProduct	Contpany(les)	Status
DA receptor	Nasal apomorphine	Nasiech	Phase II

	A STAN STAN	•	
Approach	CompoundiProduct .	Company(ins)	Status
EP receptor	PGE, (Caverjet ^M , Estex ^M)	Pharmacie, Schwarz Pharma	Markeled
VIP recepted		Senetek	Marketeri outside US
Adrenergic			
K channels	PNU 83757	Pharmacia	Phase II

D. Intraurethral agents

			Sister
Approach	Compound/Product	Companyires	
EP receptor	PGE, (Muse ³⁴)	Vivus, Abbott	Marketed

E. Topical

Approach	Compound/Product	Company(fex)	Status
EP receptor	PGE, (Alprox-TD; Topiglas)	Healted; MacroChem	Phase II and III

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MAR. 13. 2001 12:29PM

NO. 2199 P. 2/3

Artistant Secretary and Divisional Vice President
Domestic Logal Operations
Abbust Laboratories
100 Abbust Park Road Brian J. Smith

Abbott Park, Illinois 60064

March 13, 2001

John Hancock Life Insurance Company Investors Partner Life Insurance Compi John Hancock Variable Life Insurance Company Attention: Stephen J. Blewitt John Hancock Place P.O. Box 111 Bostos, MA 02117

Ladies and Gentlemen,

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I have acted as counsel for Abbou Laboratories, as Bline's corporation (the "Company"), in connection with the Company's collaboration with John Hancock Life Insurance Company, a Massachusetts corporation, Investors Partner Life Insurance Company, a Massachusetts corporation, John Hancock Variable Life Insurance Company, a Delaware corporation (collectively, "John Hancock") pursuant to the Research Punding Agreement made at of Manch 13, 2001 (the "Research Punding Agreement"). Capitalized terms used herein without definition have the meanings assigned to them in the Research Funding Research Funding Agreement.

In connection with the opinious expressed herein, I have made such examination of matters of law and of fact as I considered appropriate or advisable for purposes bereof. As to matters of fact material to the opinious expressed herein, I have relied upon certificates and statements of government officials and of officers of the Company. I have also examined originals or copies of such corporate documents or records of the Company as I have considered appropriate for the opinious expressed berein. I have assumed for the purposes of this opinion the genoineness of all signatures (other than shore of individuals signing on behalf of the Company which are genuine), the legal capacity of natural persons, the authenticity of the documents submitted to me as originals, the conformity to the original documents of sub documents submitted to me as certified, facsimile or photostatic copies, and the authenticity of the originals of such copies. originals of such copies.

MAR. 13. 2001 12:29PM

NO. 2199 P. 3/3

John Hancock Life Insurance Company
Investors Partner Life Insurance Company
John Hancock Variable Life Insurance Company
March 13, 2001
Page 2

Based upon the foregoing, and subject to the qualifications and liminations stated herein, I ma of the opinion that: (i) the Company is duly organized, validly existing and in good standing in the State of Illinois; (ii) the Company has the requisite corporate power and authority to execute, deliver and perform the Research Funding Agreement; (iii) the Research Funding Agreement has been duly and validly authorized by the Company, and duly executed and delivered by an authorized officer of the Company and constitutes a valid and binding legal obligation of the Company enforceshle against it in accordance with its terms; (iv) the performance of the Research Funding Agreement by the Company does not constitute a breach or violation of its organizational documents or any other agreement or understanding, written or oral, to which the Company is a party or any existing law, statute, rule or regulation by which the Company is connection with the execution, delivery, and performance of the Research Funding Agreement; (vi) there is no Minguism pending, or to my knowledge threatened, which calls into question the validity of the Research Funding Agreement.

My opinion expressed above is limited to the law of the State of Hinois and the federal law of the United States, and I do not express any opinion herein concerning any other law.

The opinion set forth herein is rendered only to you and solely for your benefit in connection with the above described transactions. This opinion may not be reflect upon by you for any other purpose, or relied upon by any other person for any purpose, without my price written consent.

Very truly yours.

M:DomestylPals & Adams\John Hancock\Dpinion 910313.doc

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Hendricks Deposition Exhibit 9

P's Exhibit MX

Abbott Laboratories Global Pharmaceutical R&D

Thomas Lyons Controller Abbott Laboratories 100 Abbott Park Road Abbott Park, Illinois 60064-6049

November 26, 2001

Fax 617-572-1628

RECEIVED BOND & CORPORATE FINANCE DEPT.

NOV 27 2001

Mr. Steve Blewitt
John Hancock Life Insurance Company
200 Clarendon Street, T-57
Boston, MA 02117
Attention: Bond & Corporate Finance Group

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Re:

Research Funding Agreement dated as of March 13, 2001

2002 Preliminary Annual Research Plan

Dear Steve,

We haven't had the chance to meet face to face yet. I hope this can happen in the near future. Enclosed is the 2002 Preliminary Plan information for the program compounds. Please note that the preliminary plan funding for the program compounds is increasing \$43mm or 23% over 2001 APU (April Update). We are in the process of finalizing our internal functional costs and chargeable rates for 2002. Please review this and feel free to contact me with any questions you may have.

Regards,

Tom Lyons

Abbott Laboratories

Global Pharmaceutical R&D

Controller

(847) 937-5618

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JH 000787

FOR ID., AS OF 4/27/07

John Hancock Portfolio Summary R&D Costs and Development Timelines 2002 Plan

Comments				Comments	Slow patient accrual impacted dosing decision (QD vs BID). ABT-773 will be developed for BID dosing.	FDA IND review delayed phase II program beyond original targets. Phase III, originally scheduled to begin in the Fall of '02, is delayed until Fall '03.	ABT-724 is a recently approved DDC. In the original deal model, assumptions for ABT-100 were used as the benchmark for all pre-DDC assets. 2002 Plan reflects ABT-724 specific data, rather than generic modeling assumptions.
2002 Plan (\$MM)	79.3 52.9 26.3 42.4 15.6 6.6 6.6	229.0 .	3.1	2002 Plan	3Q 2004 4Q 2004 N/A 1Q 2006	4Q 2006 N/A 1Q 2006 4Q 2007	3Q 2008
2001 APU (\$MM)	89.7 37.8 8.7 8.0 4.3 6.4.3 6.6 6.6 6.6 6.6 6.6 6.6 6.6 6.6 6.6 6	185.7	3.1	Original Deal	10 2004 40 2004 30 2004 10 2006	4Q 2005 2Q 2006 1Q 2006 4Q 2007	4Q 2007
sp	Ketolide Oral & IV Endothelin Neuro Pain TSP Quinolone MMPI Anti-Mitotic FTI Dopamine Receptor Agonist	Total Abbott : JH Funding Ratio	Contract Floor Funding Ratio	Ilmeline (Launch Dates):	Ketolide Oral & IV Endothelin Neuro Pain TSP	Quinolone MMPI Anti-Mitotic FTI	ABT-724 Dopamine Receptor Agonist
Compounds	ABT-773 ABT-627 ABT-594 ABT-510 ABT-518 ABT-751 ABT-100 ABT-100			Timeline	ABT-773 ABT-627 ABT-594 ABT-510	ABT-492 ABT-518 ABT-751	ABT-724

Ketolide Oral & IV (ABT-773) 2002 Annual Development Plan

2002 Chnical Prugram Objectives:	넒						
Phase III program consisting of pivotal trials to support NDA and Hurupsan filling for Phase I and III intravenous program to support CAP indication	otal trials to su n to support C/	upport NDA and AP indication	Hurapean Miling	for four indicat	four indications: AECB, CAP, ABS, ASP	2002 PROGRAM COST	SMM 79.3*
Phase I program to support pediatric program	ic program						
Phase 1 / II program supporting Japanese bridging strategy	anese bridging	strategy	.			* See next page for detail.	
Other Clinical Suppart:							
Veniure Management, Dala Management/Sintislies, Phase I Center (ACPRH) Suppart	สมานมูอากอามี/St	ntistics, Phase	Center (ACPRI	f) Suppart		-	
Chemistry, Manufacturing, and Controls (CMC)	Controls (CM	5					
Formulation & Analytical:	Tablet	Support clinic	al program, Reg	Istration Activiti	Tablet: Support clinical program, Registration Activities CMC, Bulk drug lot support of validation runs, 1200 L support, Process Characterization Scule-up	ion Scule-up	
	IV Form	ulation: Supp	IV Formulation: Support clinical program			·	
	Continu	s to optimize pa	Continue to optimize pedinicie and intravenous formulation	venous formulat	· · · · · · · · · · · · · · · · · · ·		
	Japan K	Japan Registration Bridging support	ging support				
Process Chemistry:	Deliver	700 kg bulk dr	Deliver 700 kg bulk drug substance (Campa	mpoign 17 and 4	ign 17 and 18)for stability testing and formulation scalcup activities		
	Qualify	Abboit Puerto	Qualify Abbott Puerto Rico (AFP) for final step of drug substance	inal step of drug	substance		
	Comple	te Process Justi	Complete Process Justification experiments	ents and reports			
	Analytic	Analytic Methods Validation	Jation				
	Manufa	cture starting m	Manufacture starting materials to support Process Vulidation Runs	rt Process Vulid	ation Runs		
Drug Safety Support							
Metabolism	Drug un	alysis to suppo	rt Phase I studie:	Yd musulq bus a	Drug analysis to support Phase I studies and plasma PK in Phase 3 studies to correlate with ECC's		
	Lactes	& placental tra	nsfer studies: Pro	stein binding stu	Lecteal & placental transfer studies: Protein binding studies; P450 studies		
Toxicology/Pathology	Imonth	Ral and Gene	Imonth Rai and Gene Tox study to support impuity qualification	port impuity qu	allfication		
Other Support Activities:							
Medical Services support (IND) / Post-Marketing Safety, Epidemiology, Medical Information & Review)	4D / Post-Mark	ceting Safety, E	pidemiology. M	edicai Informatio	on & Review)		
Investigational Drug Quality Assurance support for production of clinical supplies	Assurance sup	aport for produc	tion of clinical	upplies			
Regulatory Affairs / Research Quality Assurance	h Quality Assu	WARCE		:			
Microbiology							
Program Spending by Year:							
2007 2007	2007	7007	2002	2006	Total		
89.7 79.3	38.1	12.7	÷	0.0	273.9		

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Part					YON	Leunch						
Trained Trai	Major Development Activities and Casts											
		Te de	Enrafted				2	APU Certs		50.	2 PLAN Conts	7
11 12 12 13 13 13 13 13	C'Halcal Program	Palients	As of 8/2001	Stari	End		1	External	 	Internal		
1,000 1,00	Page 10 (4 Indications)	Dist.	2	Nev-00	Marit			\$12.20	\$12.231	:	34,592	\$4,592
19	Aton-225 Aust OD vs Bill	9		NIV-00	Nov-01		• ;	27.219	57.219	: :	. :	ŧ
State Colored Colore	M00-223 ASP vs Pen US	25	Ē	Nov-UD	10-unf		: :	13,554	53,554	;		ŧ
132 105 Nov-200 Decol 13,153 13,353 14	MDD-216 ABECD vs Azt US	009	14	Nov-00	Dec-01		ı	187,791	167,28	:	i	i
190 191 Number Direct Number	MI00-222 ASP vs Pen EU	520	901	Nov-00	Dec-01		ŧ	\$75,03	\$1,575	:	I	ŧ
March Marc	M00-217 ABECD vs Lavo 1:()	8	961	Nov-00	Decel		:	\$4,016	54,036	ı	i	ŧ
1,000 1,00	Airs, 110 C.A.P. va. Apare, 10.	3	=	3	May 01			51 624	V	E	36.270	27.9X
1909 10 10 10 10 10 10 1	Mill 128 C.AP vs Lavo 11855a 1 hva	1	. =		May			7	17,141		14.7.13	\$7,394
Marie Mari	MULXXX CAP Open Label	360	•	Jens-02	May-U		:	ı			017'13	\$3,310
100 0 0 0 0 0 0 0 0	M00-218 Al85 vs Levo Ell	044		Oct-01	May-0.		: 1	\$1,514	\$1,514	:	54,134	ĭ
100	M00-216 ABS vs Aug US	3	•	Oct-01	Mar-03		:	\$1,257	11,257	;	115,51	\$15.68
17	M00-260 ABS Double Tap Study	901	0	. Sep-01	May-03		i	\$310	2310	:	•	į
17	Mf01-325 QT Phase I Study (External Site)		•	Oet-01	Dec-01		ŧ	:	!	į	ì	ŧ
17 10 10 10 10 10 10 10	Pediatric PK/PD/Tasta Testing Studies	i	,	;	i		ŧ	ŝ	Ĩ,	: 3	ī	: }
NA	Pediatra Passe I Christia (Passe I Center)			Jun-02	20-00			5		246	ī	2
NAA Jan-00 Dec-01 \$877 \$877 Jan-01 Dec-01 \$877 \$877 \$877 Jan-01 Dec-01 \$877 \$873 Jan-01 Dec-01 \$850 \$8400 J74 Jan-01 Dec-04 \$850 \$8400 J74 Jan-01 Dec-04 \$850 \$8400 J85 J85 J85 \$840 J87 J87 J87 \$840 J87 J87 J87 \$847 J87 J87 \$847 J87 J87 \$847 J87 J87 \$840 J87 J87 \$840 J87 J87 \$840 J87 J87 \$840 J87 J87 \$840 J87 J87 \$840 J87 J87 \$840 J87 J87 \$840 J87 J87 \$840 J87 J87 \$840 J87 J87 J87 J87 J87 J87 J87 J87 J87 J87 J87 J87 J87 J87 J87 J87 J87 J87 J87 J87 J87 J87 J87 J87 J87 J87 J87 J87 J87 J87 J87 J87 J87 J87	Control Special Presidents Studies	:		10-A0M	Dec-02		;	2 20 22	0023	:	\$200	: 200
18 18 18 18 18 18 18 18	External Tissue Stadles	N/A		00-en/	Dec-0		•	12.5	12			
NA Jan-01 Dec-01 52,000 52,000 174 Jan-01 Dec-02 19-5 56,372	Internal Bio Studies (Phase I Center)	•		Jan-02	Dec-02	6.9	\$1,449	\$172	52,163	\$2,349	ı	\$2,349
NAA Jan-02 Dae-02 \$1,000 \$4,000	Phase I/I ECG Re-reads			· Jun-01	Dec-01		ŧ		:	:	ŧ	i
174 Jan-Ol Dec-Ol 1915 56,372 56,477 54,477 6.1 5932 56,479 54,471 10.2 34,779 54,779 54,479 54,971 21.2 34,779 24,779 51,216 51,710 20.0 513,779 21,779 53,216 20.0 513,779 21,779 53,216 20.0 513,779 21,779 53,216 20.0 513,779 21,779 53,216 20.0 513,779 21,779 53,216 20.0 513,779 21,779 53,216 20.0 513,779 21,779 53,216 20.0 513,779 21,779 53,216 20.0 513,779 21,779 51,779 20.0 513,779 21,779 20.0 513,779 21,779 20.0 21,779 20.0 21,779 20.0 21,779 20.0 21,770 20.0 21,770 20.0 21,770 20.0 21,770 20.0 21,770 20.0 21,770 20.0 21,770 20.0 21,770 20.0 21,770 20.0 21,770 20.0 21,770 20.0 21,770 20.0 21,770 20.0 21,770 20.0 21,770 20.0 21,770 20.0 21,770 20.0 21,770 20.0 21,770	Microbiology Grants	<		Jan-02	Dec-02		ī	22,000	\$1,000	:	\$2,000	22,000
6.1 8932 8933 84779 30.2 34,779 84,745 561,877 815,314 9 218.7 85,224 85,324 86,703 218.7 85,224 81,770 35,316 210.7 81,770 81,770 35,316 210.7 81,770 81,770 81,031 210.7 81,770 81,770 81,031 210.7 81,844 81,046 81,949 211.8 81,844 81,644 81,946 81,546 211.8 81,844 81,644 81,946 81,546 211.8 81,844 81,644 81,946 81,540 211.8 81,844 81,644 81,946 81,540 211.8 81,844 81,844 81,946 81,540 211.8 81,844 81,844 81,546 81,540 211.8 81,844 81,844 81,540 211.8 81,844 81,844 81,540 211.8 81,844 81,844 81,540 211.8 81,844 81,844 81,540 211.8 81,844 81,844 81,844 81,540 211.8 81,844 81,844 81,844 81,540 211.8 81,844 8	Japan Studies	K		10-tm?	79-30 C	9 95		894	2600		12,610	52,630
10.2 34,779 54,779 54,779 54,711 31,211 31,	A CHIMAD IN THE RESIDENCE						71.00		7/6'95		Ē	
11,001 541,44 561,877 515,114 515,11	Data Management/Stableton					10.2	24.73		24.73	27.2	; ;	176.82
21.7 \$5,224 \$5,224 \$6,703 20 \$13,770 \$13,770 \$5,316 21,791 \$1,791 \$5,316 21,791 \$1,791 \$5,316 21,792 \$1,791 \$1,490 21,894 \$1,096 21,894 \$1,664 21,896 \$1,664 21,896 \$1,664 21,896 \$1,997 21,899 \$1,699 21,899 \$1,599 21,899 \$1,599 21,899 \$1,599 21,899 \$1,599 21,899 \$1,599 21,899 \$1,599 21,899 \$1,599 21,899 \$1,599 21,899 \$1,599 21,899 \$1,599	Subtotal						\$12,083	\$46,345	72,182	HC2118	\$34,298	\$49,616
18.7 15.724 15.724 36.70 20 0	Chemister, Manufacturing, and Contrain ft	Cit										
18.7 1 13.7 1 13.1 14 13.0 1 13.1 15 15 15 15 15 15 15 15 15 15 15 15 15						;	:		į		1	
Sacing S	Process Chamister					28.7	55,224 077 219	i	52,224 077 619	26,703	24,440	24,348
1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1	Other CMC					•	167.18	. 1	167.18	10.03		\$1,01
1, 1764 5764 51,562 1, 1764 5764 5316 1, 1766 51,066 539 1, 164 51,096 51,096 1, 164 51,096 51,096 1, 164 51,096 51,096 1, 164 51,096 51,096 1, 164 51,096 51,096 1, 166 51,096 1, 166 5946 51,096 1, 166 5946 51,096 1, 166 5946 51,096 1, 166 5946 51,096 1, 166 5946 51,096 1, 166 5	Subtotal CMC Costs		•				\$20,785	:	\$20,785	\$14,950	133	\$19,275
14. 31,096 5764 5764 51,62 15. 31,096 51,096 51,096 15. 31,997 52,301 17. 31,844 51,644 51,917 18. 31,917 52,301 19. 31,914 52,301 19. 31,914 52,301 19. 31,914 52,301 19. 31,914 53,400 19. 31,914 53,400 19. 31,914 53,400 19. 31,914 53,400 19. 31,914 53,400 19. 31,914 53,400 19. 31,914 53,400 19. 31,914 53,400 19. 31,914	Drug Safety Support											
14 5164 5764 5764 5764 5764 5764 5164 5164 51764 51,076 51,	Drug Messbolism									\$1.562	54 jo	\$1.99
14 \$1,096 \$1,006 \$1,006 \$1,006 \$1,001 .	Taxicology/Pathology					7	3768	i	\$768	* 12	Ē	\$407
9.7 51,464 51,917 9.7 52,801 0.9 5946 5946 51,268 5400 8400 51,500 7.2 5946 5946 51,500 7.2 5946 5946 51,500 7.2 5949 5949 51,500 7.2 5949 5949 51,500 7.3 5949 5949 51,500 7.3 5949 5949 51,500 7.3 5949 5949 51,500 7.3 5949 5949 51,500 7.3 5949 5949 51,500 7.3 5949 5949 51,500 7.3 5949 5949 51,500 7.3 5949 5949 51,500 7.3 5949 5949 51,500 7.3 5949 5949 5949 51,500 7.3 5949 5949 5949 51,500 7.3 5949 5949 5949 51,500 7.3 5949 5949 5949 51,500 7.3 5949 5949 5949 51,500 7.3 5949 5949 5949 51,500 7.3 5949 5949 5949 51,500 7.3 5949 5949 5949 51,500 7.3 5949 5949 5949 51,500 7.3 5949 5949 5949 51,500 7.3 5949 5949 5949 51,500 7.3 5949 5949 5949 5949 51,500 7.3 5949 5949 5949 51,500 7.3 5949 5949 5949 5949 51,500 7.3 5949 5949 5949 5949 51,500 7.3 5949 5949 5949 5949 51,500 7.3 5949 5949 5949 5949 51,500 7.3 5949 5949 5949 51,500 7.3 5949 5949 5949 51,500 7.3 5949 5949 5949 51,500 7.3 5949 5949 5949 51,500 7.3 5949 5949 5949 51,500 7.3 5949 5949 5949 51,500 7.3 5949 5949 5949 51,500 7.3 5949 5949 5949 51,500 7.3 5949 5949 5949 51,500 7.3 5949 5949 5949 51,500 7.3 5949 5949 5949 51,500 7.3 5949 5949 5949 51,500 7.3 5949 5949 5949 51,500 7.3 5949 5949 5949 51,500 7.3 5949 5949 5949 51,500 7.3 5949 5949 5949 51,500 7.3 5949 5949 5949 51,500 7.3 5949 5949 5949 51,500 7.3 5949 5949 51,500 7.3 5949 5949 51,500 7.3 5949 5949 51,500 7.3 5949 5949 51,500 7.3 5949 5949 51,500 7.3 5949 5949 51,500 7.3 5949 5949 51,500 7.3 5949 5949 51,500 7.3 5949 5949 51,500 7.3 5949 5949 51,500 7.3 5949 5949 51,500 7.3 5949 5949 51,5000 7.3 5949 5949 51,5000 7.3 5949 5949 51,5000 7.3 5949 5949 51,5000 7.3 5949	Other					<u>*</u>	\$1,096		\$1,096	ŝ	22	ž
9.7 52,401 0.9 \$946 \$946 51,268 \$400 \$1,500 7.2 \$989 \$987 51,599 7.2 \$989 \$1,599 7.3 \$1,599 \$2,819 \$81,798	Subtetal Drug Safety Support						51,364	i	21,664	116'15	\$346	27,463
Tales Afficies / Recourt changing Assumence Afficies / Assum	Other Support Cats									_		
0.9 \$946 \$946 \$1,268 \$400 \$1,500 17.2 \$789 \$789 \$1,599 \$1,599 \$1,599 \$1,799 \$1,799 \$1,799 \$1,799	Discovery					47	ţ	į	ţ	\$2,801	ŧ	\$2,801
Acry Affishs / Research Usuality Assumes \$1,500 \$1,	Medical Affairs					6.0	2846	ì	3946	\$1,268		\$1,268
7.2 \$788 \$989 \$1,599 23,839 \$2,839 \$817 \$39,306 \$48,346 \$89,700 \$40,176	IlPo						8		20	21,500		5.50
######################################	Ceper Costs	Assessed				2	1984 17 17 17	:	984 0 10	665,13		71.59 71.89
971,01-2 097,482 ShC,812 304,412						:						
	Total Program						306,908	\$40,345	589,700	\$40,176	539,169	\$11,413

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Endothelin (ABT-627) Annual Development Plan

2002 Clinical Pressuam Oblections	rum Oblective						***************************************	-	
Complete enrollment of two registration studies Complete drug interaction, QTC, and Bioequivalence studies	int of two registra traction, QTc, and	r ation studies d Bioequivaler	nce studies					TOO SAL GOOD LAST.	SMM
Initiate Ph I study for Japanese registration	for Japanese regis	stration						2002 FRUGKAM CUST	57.9
								* See next puge for detail.	
Other Clinical Support:	pport:								
Venture Mana	Venture Management, Data Management/Statistics, Phase I Center (ACPRU) Support	anagement/St	atistics, Phase I	Center (ACPR	U) Support				•
Chemistry, Manufacturing, and Controls (CMC)	facturing, and C	Controls (CM	0						
Formulation d	Formulation & Analytical:	- Resupply 2 Phase - 2.5 mg lot for Jag - Impurities Qualit - Methods transfer - UK/R8 Pilot Sup	- Resupply 2 Phase III studies - 2.5 mg lot for Japan studies - Impurities Qualification - Methods transfer - UK/R8 Pilot Support - Process Justification (5 lots)	idies dies ous)		 NDA Stability Support of GMP bulk lot for stability studies Formulation manufacturing; support for GMP tot Stability of drug product and drug substance 	•		
Process Chemistry:	nistry:	Process ji Quallifica	Process justification Qualification runs at second drug substance manafacturing facility	end drug subst	ສກເຂ ກາສາເຕເລີເວ	wring facility			
Drug Safety Support	ort								
Metabolism		NDA preparation	puration						
Texicology/Pathotogy	uthotogy	Genetic to Three ma	Genetic toxicity to qualify drug substance impurities Three month rat toxicity to qualify drug substance im	ily drag substar to qualily drag	stance impurities drug substance impurities	purities			
Other Support Activities:	ttivities:								
- Medical Servi	Medical Services support - IND Safety (safety support) / Epidemiology Regulatory Affairs / Research Quality Assurance (Phase III site audits)	D Safety (safet Quality Assun	ty support) / Eş unce (Phase III	oldemiology (or site audits)	utcomes), Mex	- Medical Services support - IND Safety (safety support) / Epidemiology (outcomes), Medical Information & Review - Regulatory Affairs / Research Quality Assurance (Phuse III site audits)			
Program Spending by Year;	g by Year:								
7007	2002	2003	7007	2005	2005	Total	•		
37.8	52.9	30.6	37.1	8.0	0.0	165.2			
	ν <u></u>	くと							

Endothella (ABT-627) 2002 Plan Development Cost Sum

			1.2 7007	HII DEVELOPINER	2002 Plun Development Cost Summary	ı					
Crogram Status	91 92 93 94 91 92 93 93 94 91 92 93 94	2001		2003	2004	Ī	2005 2	2006			
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T THE CONTRACT	(本人) (金・) 50 一 二 大道					4					
		1	 		₩	Lannels					
Mular Development Activities and Costs											
	Total	Enrelled as of					2001 APU Costs		07	2002 PLAN Custs	22
Chrisal Program	Putients	10/2/01	Start	End	FTE's	Internal	External	Total	Internal	External	Tetal
Pluse # Pivestal # (M(M-211)	IONO	7	10/5	19/61			200 200	****		57	
Phase III Pivotal #2 (N100-2-1-1)	I CON	: 2	Ş	140.1		i		***************	:	7Cb'014	704/014
t.T Extension (M00-258)	901	: -	ŝ	13861		:	770'05	27701'10'7'	:	W.F. 11.	211,436
Long Term Safety Study (MOI-304)	130		10%	SOVI		ŧ	2000		:		77.50
Bisphosphonate Combination	300	ı	1/02	1/05		:			:	25	
Early Prostate Cancer	200	ŧ	1/02	1/05		: :	: :	: :	:	57 CZ	000'14 77 CX
Phase I Japan Study	33	ı	7/02	12/02		: 1	: !	: !	:	0085	2800
Ph II PiloVinvestigator IND Studies	40 per study	;	10/11	6/03		ار ا		: :	:	Š	Š
Four Drug Interaction Studies	12 - 18 per steely:	:	4/07	7/02		: 1	: :	:	. 5320	2440	3 5
Bioequivalence (M00-318)	2	:	4/02	1,002		\$33	2766	£321	\$50	2700	22.50
(77c (M00-283)	36	i	70/1	20/6		5227	2390	5817	\$53	2303	\$25
								=			
control of the contro					î.	\$103	į	\$11\$	6605	i	\$999
Comme designation of the comme					32.0	\$7,636	i	\$7,636	26,195	:	\$6,195
Cultible					23.0	\$2,583		\$2,583	\$3,739		\$3,739
						\$10,816	218,900	529,716	950,113	\$31,648	\$43,004
Chemistry, Manufacturing, and Controls (CMC)	(CMC)										
Formulation & Analytical					71	5	Ī	;			;
Process Chemistry				٠		C. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1.	3	10,10	2,12	3840	×,019
Other CMC					} :		:	3	170'14	200	21.12
Subtotal CMC Costs						53,546	5874	£4,420	54,788	2665	\$3.778
Drug Safety Support											
Texicology/Pathology					3	i	;	į			
Drug Metabolism	•				<u>.</u>	¥ 1	8	240	200	22	\$437
Other	•				F .	Stas	9215	51,13	274	5370	81.'18
Subtotal Ding Safety Support					i i	100 13	22	923	\$63	z į	267
Other Support Custs					į	No. 10	7000	abc'ie	51,194	27.5	51,622
Discovery											
Returbitory Affairs / Removed Ossiller, A	A				<u>o</u> .	\$129	243	5174	\$289	.•	286
Medical Affairs	A 15th ance				3.0	162'18	ī	102,18	8995	i	2669
Other					9.	1	\$195	2613	1985	2300	\$1,06
-						2218		\$188		E	S S
Total Program						517,544	\$20,256	237,480	219.164	\$33,759	\$51.923
5. 1488 819 Clara John Ham, vs. L. 3788 Me veneth Plant digge channes i'm	1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1									11	

TSP (ABT-510) Annual Development Plan

2002 Cituical Program Objectives: Initiate 3 phase II dose ranging/efficacy studies to demonstrate efficacy Selection of dose regimen and tumor types	es to demonstrute elli	cucy					2002 PROGRAM COST	SMM 26.3*
Selection of surrogate markers of efficacy					•		* See next rane for detail	
Other Clinical Support:	Carried motorical Systems		1					
	IVotatistics, Frase I C	enter (ACPRI) Support	,				
Caemistry, Manufacturing, and Controls (CMC)	CMC)							
Formulation & Analytical: Supp Metl	Support drug substance and chemical synthesis Method development/validation as needed to support Phase II requirements Evaluate crystalline drug substance for itematorica.	d chemicul syr lusion as needt	nthesis ed to support Pt	lase II requin	ments			
Process Chemistry: Proc	Process optimization with crystallized drug and increase scale (23 Kg)	erystallized dr	ug and increase	e scale (23 K ₁				
Drug Safely Support					-			
Metubolism	orption Distribution N	letubolism Exc	retion studies i	in non-rodent	Absorption Distribution Metabolism Excretion studies in non-rodent species to sumort (axicolouv			
	Initiate 6 month rat and 9 month monkey toxicity studies if requested by FQA	month monke)	, toxicity studie	cs il requested	by F.D.A			
Other Support Activities:								
Medical Services support - IND Safety (safety support)/ Medical Information & Review Regulatory Affuirs / Rusearch Quality Assurance (Phase II site audits)	(safety support)/ Med issurance (Phase II sit	ical Informatic e audits)	n & Review					
Program Spending by Year:								
2001 2002 2003	7007	2002	2006	Total				
10.8 26.3 47.8	28.0	0'61	14.0	145.9				
C	ardinectory. Saliti 82 (Aliti imp	JH 000130	CONFIDENTIAL JH 000793	Z-1	eca libathi	-		

TSP (ABT-510)
2002 Plan Development Cost Summary

The control of the	Program Status	0000	10000	2000		1000						
Prince P	•	3		2007	2003	500	1003		⊦			
Marie Present Annual Present Ann		5	_ 86	70 FD FD	0 00 00 m	6 5	60 60	60	\dashv			
Partial Decisional Addition and Local Property Partial Decisional Decisional Addition and Local Property Partial Decisional De	T-AGNC I						←	←				
Charlest Programs	Phase III					1.7	- <u>Š</u>	L. Busch				
Middle Program]					
Chiefed Program	Major Development Activities and Costs											
Note Page		Tetal	Enrolled as of	;		,	- 1	001 APU Costs	- 1	77	2002 PLAN Custs	- 1
Note		Patients	10/2/01	Start	End	Z.	Internal	External	Total	Internal	External	Total
Figure Data Required Figure Fig	Abilitate Dane in Currey Pre (N400-153)		.=	10/1:	70/1			\$685	28/35		113	113
Plane Does Required Efficacy # 150	IND Study (Mel-302)		:	10/6	3/4)2		:	\$2.50	22.80	:	8913	A VE
Prize Lose Require/Efficacy 22 130 423 303 .	Phase II Dose Ranging/Efficacy #1	150	:	4/02	3/03		•		1	:	61 753	27.13
Prince Does Required Effects Eg	Phuse II Dose Ranging/Eillicacy #2	130	: 1	4/02	(OX		:	ī	:	:	55.55	61,50
Preclinical/PD Markers 301 202 203 277 278 278 277 278 2	Pluse Il Dose Runging/Efficacy #3	. 051	: ;	£/li,	(g)		:	ŧ	ŧ	:	25,733	55,75
Cames Models 15 302 204 3579 3579 Printed Content Volumer Management 16 3221 3211 3171 Pote of Management Volumer Management 47 3232 3211 3171 Out Always Ministrial Confidency Analysis of Controls (CNAC) 47 3232 3171 3170 3170 3171 3170 3171 3170 3	Preclinical/PD Markers		•	Ę	6		ŧ	: }		:	15,75	60,00
Place Court Votater Management I	Cancer Morleis			ior.	70/7		:	. 6625	\$299	i	267	267
Place Content Conten		-		3/02	2/03		:	į	I	i	\$330	\$330
Place Center Ce	7	•	:	707	12/03		:	Ī	i	i	ŧ	:
Venitor Management Venitor Management 14.0 53.58 3.26.1 57.78	Phase I Center					0	163		163	-		:
Data Managamant/Studiets 4.7 23.25 3.55.89 57.648 57.648 58.6	Verture Management							:	77	.	ŧ	=
181,113 906,012 172.5						3. F	3656	ŧ	2828	52,689	i	\$2,689
181113 000 11	Subtotal					:	N 106	21.44	1776	175	101 613	57.78
181,112 000,012 255.25 7402 5.0 10.0	O Total		-							eco ¹ cc	101.716	60,01
10,0 1,13	Cuching to the control of the Controls	(cjar.)										
Coats State Stat	Formulation & Analytical			•		8,6	2987	\$225	\$1213	9	3	100
C Costs Syst St, 608 St, 599 St, 544 St, 608	Process Chemistry					10.01		נות נג	21.17	60.2	. 366	741,112
Costs Syst State	Other CMC					1	: :				200	2
181,118 908,011	Subtotal CMC Costs	•					2987	\$3,608	\$4,595	\$5,548	\$1,635	\$7,183
## Safety Support 1	Drug Safety Support											
## Safety Support C	Texicology/Pathology					7	70.2				:	
## Safety Support C	Drug Metabolism		٠			<u>;</u> :	5016	:	1	5173	21,100	\$1,273
## Safety Support Comparison Comparison St. 156 St. 156 St. 1718	Other		(* -	7/64	6075	21,181	21,072	2280	\$1,358
HOUDING A SECURAL COMMING A SE	Subtotal Drug Safety Support		co ,			Ī	\$1,156	\$209	\$1.365	81.013	21 186	790
Thirs	Other Support Costs		<i>I</i> Н (
Thirst Restaurch Quality Assurance Care C	Discovery		IDE DO(Š	į	į	;			
181'115 008'015 95C'55 PF'55 181'115 015 015 015 015 015 015 015 015 015	Medical Affairs		EN 07			Cin	31,73	2	51,860	214	ŧ	S:4
St. 572 573 574	Regulatory Allbirs / Rescurch Quality A	Ажинансе	IT 94			; ;	1 3	015	210	915	1	212
55,444 55,356 510,800 511,181	Other Costs		AL			; ;	579	: :	£ 65	25.	: 3	543.7 S4.3
55,444 55,356 510,81	Total Program		•									
							55,444	55,356	510,800	\$11,181	\$15,165	\$26,346

Quinolone (ABT-492) Annual Development Plan

The control of the co									
The firmulation famility biomody These II supplies, Phase II placede, Phase III plin reals, Levelfoxedin, Bulk Drug (*3.50 parients x 2 formulation, texticatings, and Phase III clinicals respective atoolies. As not 6 month ret and day steader, to possibility of pediarite program all information & Review) item COUNTY Day Table 1.0 326.6 COUNTY Day Table COUNTY Day Table COUNTY Table Table COUNTY Table COUNTY Table COUNTY Table COUNTY Table	2002 Clinical Program Objective Phase II trials to be completed and	ssi <u>.</u> d further Phase I	safety studies	to determine da	ng characterist	ifes to be comp.	deted.		SMM
1. In an Management/Statistic, (Nove of CACTRELL) Support 1. Bend Construct (FMC) 1. Bend Construct (FMC) 1. Bend Construct (AMC) 1. Bend Construct (FMC) 1. Bend Construct (FMC) 1. Bend Construct (FMC) 1. Bend on general manufacture supplier for commercial formulation in the supplier of the supplier of commercial formulation. 1. Support (MOC) from the submitted on the submitted for supplier for formulation, and submitted to support the submitted on the submitted on the submitted for submitted on submitted for submitted to support (MOC) for Advantage support (MOC) for Advantage support (MOC) for Advantage support (MOC) for Advantage submitted on submitted for submitted in supplier 1. Tablet: Standals including Submy Epidemiology, Medical Information & Review) 1. Research (Caully Assumance Adjacratic Submy) 1. Submitted Submitted Submitted (Submitted Submitted Subm	Feasibility and formulation of IV	' Formulation in p	rogress (Cus	s in buyup pros	press)	•	-	2002 PROGRAM COST	42.4*
uy								* See next page for detail.	-
Variate Altonogenests Design and Control College	Other Clinical Supports							-	
Franciscing and Castering and Castering (RNA)	Venture Manugement, Data !	Niannyement/Sia	datics, Pluse	TC'enter (ACTR	(11) Support				
singy singy singy singy support (IND / support (IND	Chemistry, Munufacturing, and	1 Controls (C'MC							
istes: support (IND / support (IND / star / Research Quelity Assi y Year: 2002 24 42.4 5.	Formulation & Analytical:	Develop III	nd manufactur	re supplies for c	ommercial for	mulation feasil	· Allity bioatudy		
Bulk drug teating, Polymorph screening Salection of Commercial formulation Positive controls cost based on \$120/patient x 3,5 Support campaigns that deliver bulk drug for form Support PARD in furnishinton and physical prope Determine vendors for commercial supply Metabolism support planned Tablet: 15studies including Segment 1, 2 and 3 as FDA requests juvenité dog study to investigate ptites: support (IND / Post-Marketing Safety, Epidemiology, Medical in roug Quality Assurance support for production of elinical supplies as / Research Quality Assurance support for production of elinical supplies at / Research Quality Assurance support for production of elinical supplies at / Research Quality Assurance aupport for production of elinical supplies at / Season of Organism of 2002 2002 2002 2002 2002 2002 2002 2		Support or	yoing stabilit	y - Phase I supp	Nies, Phase II s	rupplies, Pluse	il pincebo, Phase III pilot scale, Levolloxacin, Bulk Drug		
Selection of Commercial formulation Positive controls cost based on \$120/patient x 3,5 Support campaigns that deliver bulk drug for form Support PARD in furnishation and physical prope Determine vendors for consnertial supply Metabolism support planned Tablet: 15studies including Segment 1,2 and 3 at FDA requests juvenité dog study to investigate ptites: support (IND / Post-Marketing Safety, Epidemiology, Medical in roug Quulity Assurance support for production of elinical supplies at / Research Quality Assurance support for production of elinical supplies at / Research Quality Assurance support for production of elinical supplies at / Research Quality Assurance auronitment of 20 patients in the Ph 118 2002 2002 2004 2004 2005 11.0 3000 3000 11.0		Bulk drug	testing, Polyn	norph screening					
Positive controls cost based on \$120/patient x 3.5 Support Campaigns that deliver bulk drug for form Support PARD in furnishalion and physical prope Determine vandors for consinertial supply Metaboltian support planned Tablet: 15studies including Segment 1,2 and 3 at FDA requests juvenife dog study to investigate ptities: support (IND / Post-Marketing Safety, Epidemiology, Medical in rug Quality Assurance support for production of elinical supplies as / Research Quality Assurance support for production of elinical supplies as / Research Quality Assurance annothment of 20 patients in the Ph 118 7 Year: 2002 2003 2004 2004 2005 3 O O Sharned New-Garners Seminary and Lance of Seminary and Lance of Seminary Assurance of Seminary Seminary Assurance of Seminary Seminary Assurance of Seminary Semina		Selection	of Commercia	d formulation					
Support Campaigns that deliver bulk drug for form Support PARD in furnishing and physical prope Determine vendors for consistential supply Metabolism support planned Tablet: 15studies including Segment 1, 2 and 3 as FDA requests juvenife dog study to investigate pities: Support (IND / Post-Marketing Safety, Epidemiology, Medical in roug Quality Assurance support for production of clinical supplies as A Research Quality Assurance support for production of clinical supplies as A Research Quality Assurance support for production of clinical supplies as A Pears 2002 2003 2004 2004 2005 11.0 3 C C Sharmed New-Garden Sammangative status and sure entitled to the control of		Positive co	ontrols cost be	used on \$120/pat	tient x 3,500 p	mients x 2			
Support PARD in formulation and physical proper Determine vandors for connected supply Metabolism support planned Tablet: 15studies including Segment 1, 2 and 3 as FDA requests juvenife dog study to investigate plifes: Support (IND / Post-Markeling Safety, Epidomiology, Mediesi in reg Quality Assurance support for production of clinical supplies as 15 Research Quality Assurance Anipology The support (IND / Post-Markeling Safety, Epidomiology, Mediesi in the Ph 118 Year: 2002 2003 2004 2004 2005 Support (IND / Safety, Epidomiology, Mediesi in the Ph 118 Year: 2002 2005 2005 2005 Support (IND / Safety, Epidomiology, Mediesi in the Ph 118 Year: 2002 2005 2005 2005 Support (IND / Safety, Epidomiology, Mediesi in the Ph 118 Year: 2002 2005 2005 2005 2005 Support (IND / Safety, Epidomiology, Mediesi in the Ph 118 Year:	Process Chemistry:	Support et	enpaigns that	deliver bulk dru	ug for formulat	lion, loxicolog)	y, and Phase III clinicals		
Metabolism support planned Metabolism support planned Tablet: 15studies including Segment 1, 2 and 3 as FDA requests juvenife dog study to investigate p is a FDA requests juvenife dog study to investigate propert (IND / Post-Marketing Safety, Epidemiology, Medical Inveg Quality Assurance support for preduction of clinical supplies rs / Research Quality Assurance/Microbiology TYeart TYeart 2002 2003 2004 2004 2006 3000 300		Support P.	ARD in Gerin	utation and phys	tical properties	studios			
Motabolian support planned Tablet: 15studies including Segment 1, 2 and 3 as FDA requests juvenile dog study to investigate pristate: FDA requests juvenile dog study to investigate pristate: FDA requests juvenile dog study to investigate proport (IND / Post-Marketing Safety, Epidemiology, Medical Inveg Quality Assurance support for preduction of clinical supplies rs / Research Quality Assurance/Adicrobiology TYear: TYear: 2002 2003 2004 2004 2006		Determine	vendors for	commercial supp	ply		-		
Motabolism support planned Tablet: ISstudies including Segment 1, 2 and 3 st FDA requests juvenile dog study to investigate p 4D / Post-Markeling Safety, Epidemiology, Medical in Assurance support for production of elinical supplies h Quality Assurance/Microbiology sukanaga upon enrollment of 20 patients in the Ph HB 2002 2004 2005 S4.8 86.9 67.2 11.0	Drug Safety Support								
Tablet: 15anudies including Segment 1, 2 and 3 as FDA requests juvenite dog study to investigate p 40 / Post-Marketing Safety, Epidemiology, Medical in Assurance support for production of clinical supplies h Quality Assurance/Microbiology aukanaga upon enrollment of 20 patients in the Ph 118 2003. 2004. 2004. 2005 54.8 86.9 67.2 11.0	Metabolism	Metabolis	eld nocique m	mned					
FDA requests juvenife dog study to investigate par 10 / Post-Marketing Safety, Epidemiology, Medlent in Assurance support for production of clinical supplies h Quality Assurance/Microbiology sukanaga upon enrollment of 20 patients in the Ph 118 2002 2002 2004 2005 54.8 86.9 67.2 11.0	Taxicology/Pathology	Tablet: 13	istudies inclu	ding Segment 1,	, 2 and 3 studie	s. 3a nd 6 mon	nih rat and dog stadies.		
10 / Post-Markeling Safety, Epidemiology, Medlent in Assurance support for production of clinical supplies to Quality Assurance/Microbiology sukanaga upon enrollment of 20 patients in the Ph. HB 2002. 2004. 2005. 5013. 11.0		FDA requ	ests juvenile	dog study to inv	restigate possit	pility of pedian	ric program		
40 / Post-Marketing Safety, Epidemiology, Medieni in Assurance support for production of clinical supplies to Quality Assurance/Microbiology 2003 2004 2004 2005 54.8 86.9 67.2 11.0	Other Support Activities:								
Assurance support for production of clinical supplies to Quality Assurance/Microbiology and an arrollment of 20 patients in the Ph. HB 2003 2004 2004 2006 S4.8 86.9 67.2 11.0	Medical Services support (1	IND / Post-Mark	eting Safety, i	Epidemiology, h	Medient Inform	nation & Revie	(*		
# Quality Assurance/Microbiology # wakanaga upon enrollment of 20 patients in the Ph HB 2003 2004 2005 2006 S4.8 86.9 67.2 11.0 S C C S C S	Investigational Drug Quutit	ly Assurance sup	port for produ	iction of clinical) supplies				
2002 2004 2005 2006 54.8 86.9 67.2 11.0 \$7.0 0	Regulatory Affairs / Rescar Milestone psyment due to V	rch Quality Assur Waukanaga upon	ance/Microbi enrollment o	iology f 20 patients in t	the Ph 118 trisl	. Payment of \$	\$3.5MM is expected to be made in O1/02.	•	
34.8 86.9 67.2 11.0 286.6 9.0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	Program Spending by Years								
34.8 b6.9 67.2 11.0 286.6	2007	2003	2004	2005	2006	Tetal			
JH 000795		8.8	86.9	67.2	0.1	286.6			
JH 000795		200					CO		
AL	L-dilititi? Chairbe (bened-200) Benede fined		Hear Provide of the Transport	1, 1877. 7923			ONFIDENTI JH 000795		
							AL		

			, 2002 Pla	1	d Cost Summary						
Program Status	01 02 00 04	2001	Q4 Q1 Q2 Q4 Q	2003 2004 2004 2004 2005 2005 2005 2004 20 03 04 04 04 03 03 04 04 04 05 03 04 04 04 05 03 04 04 04 05 05 05 05 05 05 05 05 05 05 05 05 05	2004	2005	2006	9 6			
Phase I								ł			
Thase III			Abecelo series II				.,4				
							- YON	Lumch			
Major Develonment Activities and Costs	Eg .	Karalled				1	A Will Contract		36	AND IN CASE	
Clinical Program	Patients	As of 8/2001	Start	Kad	FIE's	Internal	External	Total	Internal	External	Total
Phase I											
Single Doze / Multiple Dose	168	168	Nev-00	Mar-01		:	\$670	029\$	ī	1	i
Phototox	29°	62	Nov-80	Mac-01		i	\$1,000	\$1,000	1	ŧ	:
QTC Study	CHIL	ŧ	Jun-02	Jun-02		•	:	;	\$729	\$2,300	\$3,029
Oral Contraceptive	<u>*</u>	i	Feb-02	Oet-02		;	Ξ	;	\$362	£	\$303
Theuphyllin	GELL,	i	7h-417	Jum-02		ī	ŧ	ŀ	\$348	:	\$345
Bio-Study	=	1	Mar-02	Apr-02		\$275	\$136	5411	\$267	ŧ	\$267
Total Phase (\$27.5	\$1,806	. \$2,081	\$1,643	\$2,300	\$3,943
Phase II	1	ŧ									
Bronchitis	320	:	Oci-01	Jun-02		î	\$2,291	\$2,291	i	\$1,909	\$1,909
CAP	300	ŧ	Jun-02	Feb-03			2995	2992	į	24,000	S4,000
Ė	300	Ē	Apr-02	Nov-02		i	ŧ	ī	ī	\$2,400	\$2,400
Acute Prostatitis	00	ī	Mar-02	Dec-02		:	ŀ	:	:	\$1,108	\$1,108
Sinusitus	300	:	Mar-02	Feb-03		i	i	ŧ	:	\$3,086	\$3,086
Miera Studies	•						ž	24 14	i	2600	2600
Venture Managament					13.5	\$1,226	ŧ	\$1,226	869'25		\$2,698
European Venture Research					9.	\$56		556	===	I	<u>=</u>
Data Management/Statistics			•		13.3	\$750	5	\$750	\$2,038	Ξ	\$2,038
Subtotal						\$2,307	\$5,178	\$7,485	\$6,490	\$15,403	\$21,893
Chemistry, Manufacturing, and Controls (CMC)	rols (CMC)										
Formulation & Analytical					•	***				;	;
Process Chemistry					0.03	\$7.348	:	219,14 27,72	\$3,529	\$1.13	\$ 0.0 P
Other CMC					:		: :	! <u>1</u> !		. "	
Subtotal CMC Costs						\$9,163	1	\$9,163	\$7,558	\$2,015	\$9,573
Drug Safety Support											
Drug Metabolism					5.4	\$957	i	5957	\$1,177	1	31.177
Tuxicology/Pathology					53	5704	\$833	\$1,537	\$1,296	2808	\$2,202
Other					0.7	292	\$28	\$117	5273	\$7\$	\$348
Subtotal Drug Safety Support						\$1,753	2838	\$2,611	\$2,746	1965	121,03
Other Support Casts											
Disenvery					1.3	31,426	:	\$1.426	. 52,168	:	52,188
Medical Affairs					:	25	:	\$45	\$215	i	\$215
Regulatory Affairs / Research Quality Assurance	ігу Азвитансе				t, t	\$477	ī	11 14	\$1,043	i	\$1,043
Milestone Payments					:	I	\$3,000	\$3,000	;	\$3,500	\$3,500
					:	SI35		\$135	\$250	ŧ	\$230
Total Program		•				315,306	36.036	ZPEPZS	047 063	271.800	£42.180

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Anti-Mitotic (ABT-751) Annual Development Plan

2002 Cilaical Program Objectives: Determine dose and regimen for Phase II Initiate 6 Phase II studies to demonstrate safety and efficacy Initiate peciatric studies for potential accelerated approval (drug only)	am Objectives: regimen for Pha idies to demonst	sse II itrate safety unc il inceelerated in	d efficacy pproval (drug o	nly)			2002 PROGRAM COST * See nuxt muse for detail.	SMM 15.6*
Other Clinical Support: Venture Managemen	r Clinical Support: Venture Management, Data Management/Siatistics, Phase I Center (ACI	anagemenVStat	tistics, Phase I (Center (ACPRU)	РКU) Ѕчрроп			
Chemistry, Manufacturing, and Controls (CMC)	ecturing, and Ç	Jontrols (CMC	0					
Formulation & Analytical:	Analytical:	Support P Capsule fi Clinical se Evaluate t	Support Phase II studies with capsule f Capsule formulation for lower dose (2) Clinical supply manufacturing (4 lots) Evaluate tablet feasibility	Support Phase II studies with capsule formulation Capsule formulation for lower dose (25 mg Peds) Clinical supply manufacturing (4 lots) Evaluate tablet feasibility	mulation ng Peds)			
Process Chemistry:	istry:	Process o _s Selection	ptimization thre of vendors for	Process optimization through increase scale (10 Kg) Selection of vendors for starting materials	ale (10 Kg) s		-	
Drug Safety Support	Ī							
Metabolism		Absorptic	Absorption Distribution Metubolism	Metabolism Iixc	retion studies	i Excretion studies in non-rodent species to support toxicology		-
Toxicology/Pathology	thology	Conduct	Conduct multi-cycle cardiovascular		ity study in de	toxicity study in dogs if requested by PDA		
Other Support Activities:	tivitles:				•			
Medical Servi Regulatory Af	Medicul Services support - INDS (safety support)/Medicul Information & Review Regulatory Affuirs / Research Quality Assurance (Phuse II site audits)	IDS (safety sup Quality Assur	aport)/ Medicul ance (Phuse II s	Information & R ite audits)	teview .			
Program Spending by Year;	g by Year:							
7007	2002	2003	F007	5007	2006	. Total		
	156	47.6	26.0	25.0	.18.5	141.0		
		1.						

Anti-Mitotic (ABT-751)
2002 Plan Development Cost Summary

Principle Prin												
Total Enrolled as of Start End FTPS Letternal External Total Letternal External Total Letternal Total Letternal Total Letternal Total Letternal Total Letternal Letternal Total Letternal Total Letternal Total Letternal Total Letternal Letternal Total Letternal Total Letternal Letternal Total Letternal Letternal Total Letternal Letternal Total Letternal Letternal Letternal Total Letternal Letternal Letternal Total Letternal Letternal Total Letternal Letternal Letternal Letternal Total Letternal		3			8		2005	20 10	g S			
Total Enrolled as of Paris							4	•				
Total Enrolled as of Start End PTD3 Internal External Total Internal Start Sta	Il askul											
Total Enrolled as of Start End FTR's Internal Caternal Total Internal	Please III				<u></u>			٠				
1 Samplied as of Start End FTFY's Internal External Total Internal I								-		•		
Patients (Meth. 31) 35 2 9901 9702 12002 1 1 1 1 1 1 1 1 1	Malor Bevelopment Activities and Costs											
Paidente (Noti-211) 15 12 1020i 2010 1020i 2010 1020i 2010		Total	Enrolled as of				20	UI APU Costs		20	2002 PLAN Costs	
1815 1815	Clinical Program	Patients	10/7/01	Start	End	FTE's	Internal	External	Total	Internal	External	Total
19.00 19.0	MTD in Cancer Patients (M00-231)	ST	~1	10%	7/03		i	2500	\$500		3300	2200
1202	Metronomics Study (M01-303)	36	:	10/01	\$/02		: :	\$445	\$445	: :	2600	2600
100 100	Six Safety & Efficacy Studies - Ph II	30 x 6	:	2/02	4/03		i	:	:		\$4,422	\$4,422
9615 5118	NCI Pediatric	18 - 24	:	70/1	12/02		•	•	:	:	i	i
10	Phase I Center					6.0	\$138		200	\$156	;	\$156
1972	Venture Management					7.0	\$2.812		27.817	\$1.708	ŧ	\$17.08
800 STATE	Data Management/Statistics					4.6	1118	: :	2177	5786		\$786
1972 1973 11 11 11 11 11 11 11	Subtotal						\$3,124	\$945	\$4,069	\$2,650	\$5,522	\$8,172
11.3 51,155 51,290 52,641 51,033 51,	Chemistry, Manufacturing, and Control	s (CMC)										
CC 0385	Formulation & Analytical					Ξ	351.13	\$113	000	2	3503	20 5
C Costs	Process Chemistry					10	\$922	22.50	21 12	ררטוצ	Ě	21 10
10 12 13 15 16 17 13 15 16 15 16 17 15 16 17 15 16 17 15 16 17 16 17 16 17 16 17 16 17 17	Other CMC					; :	} :		:			
# Safety Support ## Safety Safe	Subtetal CMC Costs						\$2,077	\$385	\$2,462	\$3,674	\$350	\$4,024
104 5216 5216 5216 51,122 51	Drug Safety Support					-						
# Safety Support ## Safety Supp	Toxicology/Pathology				-		\$216		. 916	20.03		770 077
## Safety Support ## Safety Safety Safety ## Safety Safety Safety Safety ## Safety Safety Safety Safety Safety ## Safety S	Drug Metabolism					÷ 5	P625	: :	2794	55 123	# CC	(AT 12
# Safety Support ## Safety Supp	Other					6.0	2110	. 5	\$117	5277	1 23	2003
15 CONFIDENCE 1,4 5137 5208 5302 5302 5302 5302 5302 5302 5303	Subtotal Drug Safety Support				-		\$1,120	23	\$1,127	\$2,443	\$247	\$2,690
Harden H	Other Support Costs		cc									
8065 O15 O15	Discovery)NF JH			0.7	\$20\$	æ	\$208	\$202	\$100	\$302
90CS LEIS LIES +1 DENTIAL 00798	Medical Affairs		FID OC			i	ŧ	210	\$10	\$39	:	\$58
NTIAL NEW 286,050 51,350 58,350 NTIAL NEW 286,050 51,350 58,350 NTIAL NEW 286,050 51,350 S8,350 NTIAL NEW 286,050 S8,350 NTIAL NEW 286,050	Regulatory Allairs / Rusuarch Quality	y Assurance)EI			4.1	\$137	ŧ	\$137	\$308	Ē	\$308
TAL	Ciner Custs .		NT 798				5287		\$287	:	:	I
	Total Program	•	TAL B				\$6.950	51,350	. 38.100	20.3%	86.219	514.448

FTI (ABT-100) Annual Development Plan

Other Clinical Support: Venture Management, Data Management/Statistics, Phase I Center (ACPRU) Support Chemistry, Manafacturing, and Controls (CMC) Formulation & Analytical: Support Of CLP/GMP drug substance for tox and clinical/stability study Formulation & Analytical: Support Of CLP/GMP drug substance for tox and clinical supplies (6 Kg) Formulation & Analytical: Support Of CLP/GMP drug substance for tox and clinical supplies (6 Kg) Process Chemistry: Deliver GMP material to support toxicology and clinical supplies (6 Kg) Metabolism Metabolism Provide metabolic data for toxicology support to initiate first-in-man trial Other Support Activities: Medical Services support - INDS (afery support) Medical Information & Review Regulatory Affairs / Research Quality Assurance (Program overview) 1-10-gram Spending by Year: 1-10-gram Spendin	2002 PROGRAM COST 6.6*
Other Clinical Support: Venture Management, Data Manage Chemistry, Manufacturing, and Contr Formulation & Analytical: Process Chemistry: Metabolism Toxicology/Pathology Other Support Activides: Medical Services support - INDS (gregulatory Allairs / Research Qual Program Spending by Year: 2001 2002 20	* See next page for dotail.
Chemistry, Manufacturing, and Contre Formulation & Analytical: Process Chemistry: Drug Safety Support Metabolism Toxicology/Pathology Other Support Activities: Medical Services support - INDS (a Regulatory Affairs / Research Qual Program Spending by Year: 2001 2002 20	
Process Chemistry: Process Chemistry: Drug Safety Support Metabolism Toxicology/Pathology Other Support Activities: Medical Services support - INDS (segulatory Affairs / Research Qual Program Spending by Year: 2001 2002 20	
Process Chemistry: Drug Safety Support Metabolism Toxicology/Pathology Other Support Activities: Medical Services support - INDS (segulatory Alfairs / Research Qual Program Spending by Year: 2001 2002 20	(pn)
Drug Safety Support Metabolism Toxicology/Pathology Other Support Activities: Medical Services support - INDS (; Regulatory Affairs / Research Qual Program Spending by Year; 2001 2002 20	i Kg)
Metubolism Toxicology/Pathology Other Support Activities: Medical Services support - INDS (; Regulatory Alfairs / Research Qual Program Spending by Year; 2001 2002 20	
Toxicology/Pathology Other Support Activities: Medical Services support - INDS (; Regulatory Alfairs / Research Qual Program Spending by Year; 2001 2002 20	n trisi
Other Support Activities: Medical Services support - INDS (safety support)' Medical Information & Review Regulatory Affairs / Research Quality Assurance (Program overview) Program Spending by Year: 2001 2002 2003 2004 2005 2006	esults) studies in two species to support first-in-man
Medical Services support - INDS (safety support) ¹ Medical Information & Review Regulatory Affairs / Research Quality Assurance (Program overview) Program Spending by Year: 2002 2003 2004 2005 2006	
900% \$007 FANZ END?	
9007 5007 F007 2007 7007	
1.2 6.6 15.9 33.6 26.0 28.0 111.3	

FTI (ABT-100) 2002 Plan Development Cost Summary

Program Status	1000	Conc									
	3	7M7	2007	2004	2002	2000		2007		•	
	Q1 Q2 Q3	50 55 (S), ZO 10	Q2 Q3	<u>भ थि। था था था था था था था भ था </u>	21 02 03 04 04 02 03 04	01 02 03	Q4 Q1 Q2 Q3	ري دي		•	
Phuse							4	+	٠		
Phase II				2 ·			 .	_			
III senti							VON	Launch			
	•			•			<u> </u>				
Major Development Activities and Costs											
Table P.	Total	Enrolled	;				2001 APU Costs			200	
	- Palicaia	/8 of 9/01	Start	Knd	MTEN	Internal	External	Total	Internal	External	Total
Phase I First-in-Man	ž	:	7/02	7/03		:	:		:	\$325	\$525
IND Study	ጽ	ŧ	12/02	12/03		:	:		:	\$124	\$124
Phace Center					Š						
Venture Management					9.0	; ·	:		\$104	i	\$104
Data Management/Statistics					2.0	E	ŧ	:	\$165	Ē	\$165
Subtoial					o.	::			\$102		2102
						ŧ	;	:	1753	2649	21,020
Chemistry, Manufacturing, and Controls (CMC)	s (CMC)										
Formulation & Analytical					3.5				4807	9	
Process Chemistry					9	Ç	: 6	50	105 13		100
Other CMC					} :			204:14			, ,
Subtotal CMC Costs						\$600	009\$	\$1,200	\$2,398	\$210	\$2,608
Drug Safety Support											
Tuxicology/Pathology	,				÷						
Drug Metabolisan					• •	:	ŧ		067'16		565,14
Other						: :	: :	: :	CAP —	2	/70'16
Subtotal Drug Safety Support		Ċ			٠	:	: :	:	\$2,193	\$169	\$2,362
Other Support Costs											
Discavery		IFID H OC			Ξ	;	;				C101
Medical Affairs					;			:	2		
Regulatory Affairs / Research Quality Assurance	у Азяшинее				: 3	: i	i i	:	30.3	:	90E3
Other Costs		IA D			i	:	:	: I	:	-	\$20
Total Program		L									
						2600	2600	\$1,200	\$5,578	S1,048	\$6,626

Dopamine Receptor Agonist (ABT-724) Annual Development Plan

2002 Clinical Program Objectivess. Transition ABT-724 from DDC and prepare a Development Plan including the design and conduct of a (First in Man) study Par of solution administered sub-lingually; Purt 2 - single dose of solution administered orally to determine relative bioavailability.	repare a Develop ; Purt 2 - single d	ment Plan inc lose of solutio	studing the desi in administered	ign and conduct Forally to deter	2002 Clinical Program Objectives. Transition ABT-724 from DDC and prepare a Development Plan including the design and conduct of a (First in Man) study Part 1- single dose escalating of solution administered or salution administered orally to determine relative bioavallability.	2002 PROGRAM COST	SMM 5.94
						* See next page for detail.	
Other Clinical Supports							
Venture Management, Data Management/Statistics, Phase I Center (ACPRU) Support	nayemen/Slatistic	cs, Phase I Ce	inter (ACPRU)	Support			
Chemistry, Manufacturing, and Controls (CMC)	ntrola (CMC)						
Formulation & Analytical:	Develop and formulate clinio for intranasal administration.	ormulate clini Idministration	ical study suppl I.	lies to support s	Develop and formulate clinical study supplies to support sub-lingual administration. Explore formulation and administration options for infranseal administration.		
Process Chemistry:	Synthesize and	J provide 3 kg	s. sclive drug i	and recommend	Synthesize and provide 3 kgs, active drug and recommendation as to appropriate salt form selection and formulation selection.	-	
Other CMC;	Analysis of sal	ils synthesize sport for form	d by Process Cl ulation develop	hemistry. Prepa sment, stability	Analysis of salts synthesized by Process Chemistry. Preparation of solid phase characterization for polymorph screening. Analytical support for formulation development, stability assessment, dissolution testing. PARD project management support.		
Drug Sufety Support							
Metabolism	Metabolism support includes; in-v support tox runge finding studies.	ipport includi nge finding st	ss; in-vitro met udies.	abolism, protei	Metabolism support includes; in-vitro metabolism, protein binding (definitive assessment), rat ADME, CYP 450 inhibition, support tox range finding studies.		
Toxicology/Pathology	Tox activities ilnding, prima	include scute	Tox activities include acute tox battery, gene finding, primary durmal and ocular irritation.	nne tox battery, on.	Tox activities include acute tox battery, gene tox battery, 2-woek dog range finding. I month oral dog/rat, pregnant rat range finding, primary dormal and ocular irritation.	·	
Other Support Activities:							
investigational Drug Quality Assurance support for production of clinical	surance support i	for production		supplics.			
Regulatory Affairs to provide consulting support on IND.	msulting support	on IND.	•				
RQA to provide GLP compliance assessment at study sites as well as GL	ce assessment at s	study sites as	well as GI.P in	P training and QA consulting.	consulting		
Program Spending by Year:							
2007 2007	7007	F007	2005	2006	Total		
0.6 5.9	7,4 31	31.8	50.6	48.1	144.4		

	0000		AUUA F PRI	2002 Fixe Development Cost Summary	USI Summers	, 000	7000	-	2002	8000	
Frogram Malus	3	01 02 03 04	2002	04 01 02 03 04 0	20 03 03 O4	ē	4 01 02	ઢ	\$	91 02 03 04	
Transition	1									4-	
Plase					Manufacture and Secretary				— *(II)	1	
Phase III											•
Major Development Activities and Costs		:								NA IN COOL	
Clinical Program	Patients	As of 9/01	Sturt	End	FTE's	200 Internal	2001 APU Costs External	Total	laternal	External	Total
SD lisculating Dose	% :		10/16/01	1/31/03		: :	: · :	; :	: :	2400 ::	54 00
Venture Management				-	0.80	;	:	-	\$1.769	ŧ	\$1.769
Phase I Center Support					0,4	: :	: :		\$73	:	\$73
Data Management/Statistics Subtotal		. •			9.0	. :	:		\$65	 \$400	\$2.307
						:	ī	:	;		
Chemistry, Manufacturing, and Controls (CMC)	s (CMC)							•			
Formulation & Analytical					3.5	.	:	ŧ	\$817	:	2817
Process Chemistry					3.0	\$600	:	2600	\$776	ŧ	\$176
Other CMC					9.0	:	i	:	\$173		\$173
Subtotal CMC Costs						\$600		\$600	\$1,766	ŧ	\$1,766
Drug Safety Support											
Toxicology					ū	ŧ	:	:	\$487	\$50	\$537
Experimental Science					1.2	:	i	i	\$264	:	\$264
Clinical Drug Analysis						;	;	I	\$451	ī	5451
Pathology		С			8.0	:	:	:	\$334	ŧ	\$334
Subtotal Drug Safety Support		ON Ji				ł	ï	:	\$1,536	\$30	\$1,586
Other Support Costs		 F D 00									
Medical Affairs		EN 108			0.2	:	.:	:	\$33	:	23
Regulatory Affairs / Research Quality Assurance	y Assurance	ITI. 02			1.0	:	:	:	\$215	;	\$215
Other Costs		AL			ŧ		:		\$20		220
Total Program						2600	1	2600	55,477	2450	55,927

Wilder Washing the matched Research Manifeschemmet Contact 224 ct. planning

Hendricks Deposition Exhibit 10

P's Exhibit 34



Abbott Laboratories

RECEIVED

SEP 2 6 2003

BOND & CORP. FINANCE GROUP



Global Pharmaceutical Research & Development

Thomas Lyons GPRD Controller GPRD Finance Dept. R404, AP9 Abbott Laboratories 100 Abbott Park Road Abbott Park, Illinois 60064-6120 Telephone:

(847) 937-561

Fax: Email: (847) 938-9609 Thomas.Lyons @ Abbott.com

September 22, 2003

Mr. Steven Blewitt

John Hancock Life Insurance Co.
200 Claredon Street, T-57

Boston, MA 02117

Attention: Bond & Corporate Finance Group

Re: Final 2003 Development Plans

Dear Steve:

Enclosed per your request are the Portfolio Program and Development cost summaries for the Final 2003 Plan.

Also, I went back to review the data and spend estimates made about 1 year ago for 2003. On 8/26/02, the estimated program spend for 2003 was at \$132.6 mm. By October 14, 2002, after the Executive Committee's portfolio review, the estimated spend for 2003 had dropped to \$109.9 mm and for 2004, it was at \$136.9 mm.

If you have any questions, please call me or Ken Stiles (at 847-938-6587).

Sincerely,

GPRD Controller

GPRD Finance

cc: Ken Stiles

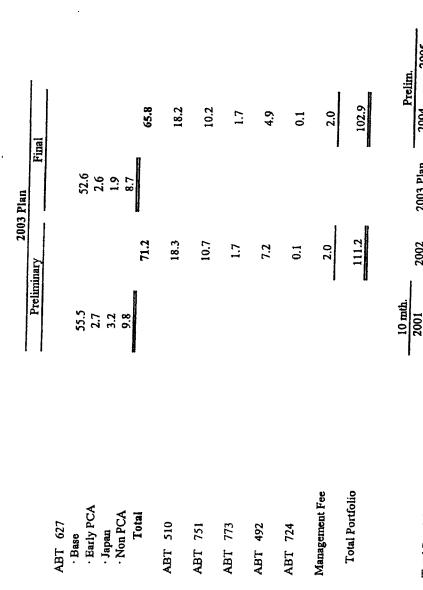
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CONFIDENTIAL JH 001071

FOR ID., AS OF YOUNG

John Hancock Portfolio 9/22/03 (\$mm)

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CONFIDENTIAL JH 001072

* Includes Mgmt Fees/Milestones

Total Portfolio Spend*

2005

2003 Plan 102.9

2002

9/22/2003 [File]

<u>.</u>;

5 39.3

23.9

\$32.6

=

34.1

52,588 2003 Pregram Cost 2003 Plan Executive Program Summary rent teams and fund potential early subsiderators bond on signile pivotal study (A400-211) g CAIC
Propure quality section of rulling CTD for endowiest
Qualification and validation work for Quandurous
HRVCA base program includes the GMC femiling ā Testerlegy.Metabelism
Conduct genetle tes and impurities aradies
Global Praject Team
CTD 5 FTB Provide stetistical analysis for 13 manus Propura for 2 data solary monetoring bea Provide programming for statistical anal Propure for early subsubasion of consumen 2003 Clinical Program Objectives: escription of internst Activities 200

\$52,587

Kytornal							
	Total Patients	Enrolled	Start	End	200	2003 Plan (000s)	
New Clinical Activities:							
LEON Studies			1/1/03	12/31/03		S583	
Subtotal New Clinical Activities			}			6.582	
Oppoling Oliniani Activities						200	
MOC-211 Phase III (WW Melasialic Prostate Cencer)	006	808	5/1/01	21/04		\$10,350	
M00-244 Phase II (WW nonmetastatic Prostate Cancer)	006	169	6/1/01	3/1/04		\$11,994	
M00-256 Phase III (Ext for M00-244/M00-211)	1400	261	1/1/01	2/1/05		\$3,672	
M01-304 Phase Il Long Term Safety	250	28	10/15/01	371/05		\$818	
Phase II - Bischosphonele Combination	900	}	42/24/07	POUNT		6878	
Subtotal Oncolne Claim Assistance			701071	i granda	***************************************	0704	
						27,7260	
CMC							
PARD						\$830	
Process R&D						55	
Pre-Clinical Safety Support						!	
Pre-Clinical Safety Support	-					\$104	
						A10 014	
			lotal External	. E		170,024	
Internal					FTE	(\$0002)	
Clinical Program							
Global Project Mam					ç	£8 001	
Phase I Center Support					 	40,00	
European Clinical Organization					7	S.554	
Data Management/Statistics					21.9	\$3.760	
Chemistry, Manufacturing and Controls (CMC)					!	1	
Formulation (PARD)					un un	\$1,491	
Analytics for Formulation(PARD)					7.2	\$1.052	
Analytics for Process Chemistry (PARD)					3.6	58083	
Clinical Packaging(PARD)					2.0	\$535	
Process R&D					6.0	\$2,233	
Drug Safety Support							
Toxicology/Pathology					6,1	2489	
Metabolism					2.3	\$614	
					0.3	\$107	
Onier output Cost							
Discovery (Therapeutic Discovery)					0.5	\$138	
Medical delyces						\$165	
Kesesrch Quality Assurance					2.8	\$775	
					.	\$166	
Other	-				Ġ	51,211	
					R.	1774	ì
			Total	Total Internal	100.1	\$23,760	

Program Threaters		2003 Plan Breculive Program Summary	
		<u> </u>	(8000,0)
22 patients have been envolted in the Place II mudy	Į		Plan
	Phase 11	H Jebilate Phase II A Lebilate Phase II A Lebi	2,567.0
		Complete Phase II	
2003 Clinical Program Objectives:			
Determise if strasentes is effective in series stage (formone salve MOL-366 study results will be available at time of product fausch	ge (hormone nai of product feuge	Determise if armsentan is effective in earlier stage (formone naive) prestats emeer pauleata (PSA progression, publication strategy) MOI-366 strady results with the arvailable as time of product feature.	
A positive result would provide rots justification	n for a large deffa	A positive result would provide rate justification for a large definitive trial by NCVonoperative groups (this will take seven years to complete)	
Description of Internal Activities:			
CMC: Formutation and Analytical Pickage and ship elision supplies for 40 sites			
DM/Statistics:			
AND BLOW SING COICE ONLY HOLD CALL			
Metabolism: Receive and anniver hims			
Program Status (chances from 2002 plan):	in with becoking the	ye o'roo kanpar ne uses piermeokuetie gasele pelymoephim interaction si appropries. Krim Sialus (changes (rom 2002 plan):	
Enhially designed the study to include 40 sites, b 24 Shes have received approvel to start the study	kes, but after con	Initially designed the study to include 40 sites; but after consultation with advisors the number of sites was reduced to 33 24 Sites inno record apparent to sind the sead.	
9 additional also are in fined maps of experient 7 Dack no "after those home content as an end in each			
		Readle a plantin	
2001 2002 2003 20	07 Y007	2003 Penter Via Losal	
5 . 5 12 5 26 5 37		5 1.6 \$ 9.3 \$ 9.4	

	ABT-627 Indication For Early - Sig PCA	rly - Sig PC	Y			
External:	Total Patients Enrolled Start	Enrolled	Start	End	2003 Plan (000s)	7500071
Capoling Citaton Activities:						
M01-366 Phase II Hormone Naive	200	22	4/1/02	1/1/05	5	£2 286
Subtotal Ongoing Clinical Activities:		;			23	\$2,256
	•		Total External	mai	\$2,	\$2,256
Internal					FTF (\$000-)	1041
Clinical Program					-3	ă
Global Project Mgmt					,	
Phase Center Support					D. J	, ;
Data Management/Stetletics					r (\$21
Chemistry, Manufacturing and Controls (CMC)					9.0	904
Clinical Peckaging(PARD)					;	!!!!!!!!!!!!!!!!!!!!!!!!!!!!!!!!!!!!!!!
Drug Safety Support					0.3	000
Metabolism						
Other Support Cost					0.3	89\$
Medical Services						
Research Ounlik Assurance						\$10
Other					0.1	\$25
					-0.1	\$(1)
			Total	Total Internal	2.3	5311

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(teest's) Plan 1003 PROGRAM COST 1,943.0 2003 Plan Executive Program Summary
2003 Plan Executive Program Summary
2002 2002 2003 2004 201 201 301 401 301 401 301 401 301 401 301 304 Phase I clinical trial on-going in Burope and Japan (colorectal, prostate, lung) at 2.5, and 10mg w/ extension study
Plan to submit the results of the Plasse I study in combination with the results of the M00211 study for approval in Japan.
Initiation of bridging study to be delayed pending this discussion with Riko, will commence Q1 04. Program was delayed initially due to unfavorable Kiko meeting and infeasibility of their request. įį Bahar Yu Abbott Japan will manage the Japanese portion of the phase I triel Phase I unit will menage the corresponding non-Japanese arm of trial CMC Drug to be labeled in US & shipped to Japan 3 ă Phase I protocol is under ravision by advisoriavastiguter. 2003 Clinical Program Objectives: 5 Description of Internal Activities: 2007 . 0.1 2007 Program Timeline Program Status 7007 P

\$1.843

	<u> ABT - 627 Japan Registration</u>	stration				
External:	Total Patients Eurolled	Burolled	Start	End	07	2003 Plan (000s)
Ongoing Clinical Activities:						
Japan Phase ! Pharmacokinetic Study - Prostate Cancer	46	0	3/1/03	1/1/03		\$1,514
Subtotal Ongoing Clinical Activities:						\$1,514
			Total External	nal		\$1,514
nternal					ETE	(\$0002)
Clinical Program						
Global Project Mgml					0.3	•
Phase I Center Support					4.0	585
Data Management/Statistics					0.5	280
Chemistry, Manufacturing and Controls (CMC)						
Clinical Packaging(PARD)					0.2	260
Drug Safety Support						
Metabolism					9.0	\$163
Other Support Cost						
Research Quality Assurance					0.1	06\$
Oilher					0.0	2.
			Total	Total Internal	2.1	\$429
	The second secon		-			

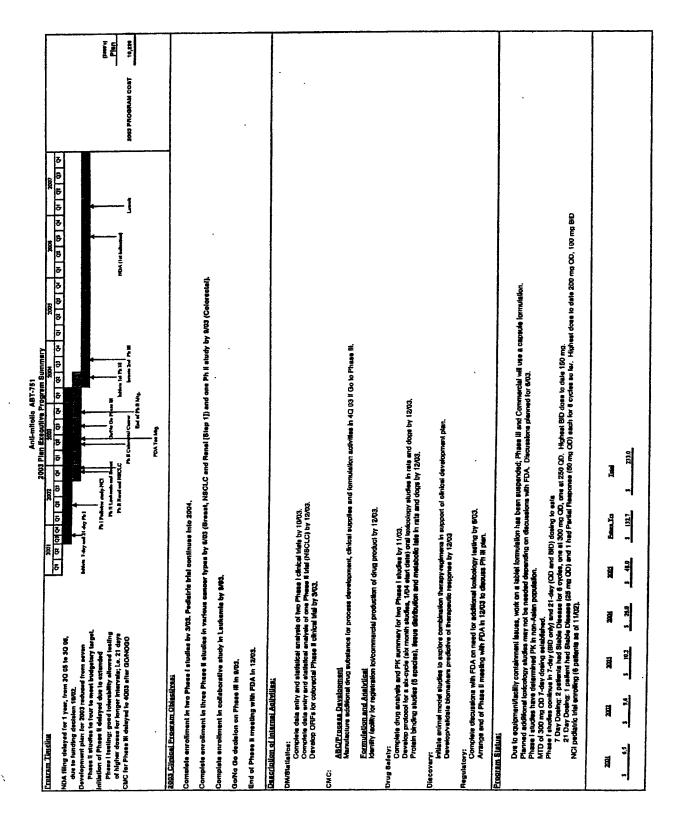
ABT-627. Non-Prostate Cancers

	,							2003 Plan Executive Program Summary	ecutive P	rogram S	Immary								
	Crokram Ameline	neline					2002	8	_	2002		2003	2		20		8		
						<u>ا</u> ا	8 8	8 5	00 00	8 8	ō B	& & &	4 01 02	10 to 10	zb 10	क क क	ප ප		
	4 more non-	4 more non-PCA investigator IND studies are in finsi review/regotiations	IND studies an	e in final raview/n		Please II													
	3 mon-PCA	3 non-PCA Investigator IND studies will start in 4Q02/1Q03	studies will sta	ու in 4Q02/1Q03		Phone III			_	•						1000			
							3	Initiate Investigator IND Studies	tor IND Stud	2					•				
										æ	itinto 2 Phone	fuitions 2 Phase 18 OCP Studies	z			indiste 2 Phase III studies			
	2003 Clinica	2003 Clinical Program Objectives:	biectives												\vdash			(a,acae)	Τ
	Initiale 7 Investi	Initiate 7 Investigator IND studies in Lung, Ovarian, Colorecial, Pancress, Breast and Renal cancers	ts in Lung. Or	varian, Colorect	al, Pancreas, Bs	renst and Ren	al cancers				•					2003 PROGRAM COST	COST	Plan 8,670.0	
	Assurae two car	Assume two cancer types will yield a signal of activity from lavestigator RVDs and initiate phase IVIII studies (with interim analysis)	leld a signal o	f activity from i	avestigator INI	Ds and Initiate	phase IVIII st	odies (with in	nterim analy	(aja					لــ				
	Description	Description of Internal Activities:	curities																T
	Data Manag	Data Management/Statistics:	tics:																
	Review Lr	Review Investigator IND study protocols and provide comment	tudy protocols	s and provide co	питосова														
	Prepare/re	Prepara/teview protocols and case report forms for four Plase II studies	nd case report	forms for four	Phase II studles														
	CMC: Form	CM C: Formulation and Analytical Package Package and ship clinical supplies as required for up to 20 one	Analytical upplies as req	Package rulred for up to	20 ossoins Inv	oing Investigator IND studies.	studies.												-
	Produce c	Produce clinical supplies for 4 Phase II studies	or 4 Phase II	studies	•														
	Program Status	atus																	T
	Original objecti	Original objective of the investigator BVD studies was to allow testing of ABT-627 in cancers not being currently investigated by Abbott	gator IND stu-	dies was to allo	w testing of AB	BT-627 in car	cers not being	curready inv	restigated b	y Abbott							,		
	Number of Inve	Original number of plasmed investigator IND studies considered was 12-15. Number of Investigator IND studies now increased to 20 is caucers other than prestate	estigator IND dies now incr	studies conside eased to 20 is c	red was 12-15. succes other the	· Drostate													
	Plan expanded	Plan expanded for 2003 to include formal development of ABT-627	ide formal des	relopment of Al	3T-627 in the tr	We short prom	in the two most promising non-prostate cancers	itale cancers								٠			
	THE STATE OF																	'	
C	7007	2002	2003	7007	2002	Puture, Yas	, Kus	Total											
ONF	<u>: </u>		S 8.7	\$ 2.8	5 9.6	~	147.0	168.1											
:10																			

يساني المسارة والمتراث والمترا						
External:	Total Patients	Enrolled	Start	End	200	2003 Plant 00051
New Clinical Activities:						
Phase II triat #1	90	0	9/1/03	10/1/04		\$2,105
Phase II Irial #2	90		9/1/03	10/1/04		\$2,105
Investigator IND Studies 2003			1/1/03	12/31/03		\$2,933
Subtotal New Clinical Activities:						\$7,143
Ongoing Clinical Activities:						
Investigator IND Studies 2002	•		12/1/01	6/30/03		\$177
Subtotal Ongoing Clinical Activities:						\$177
			Total External	irmal		\$7,320
Internal					ETE	(30003)
Clinical Program						
Phase I Center Support					0.5	\$105
Date Menegemen/Statistics					3.2	\$538
Chemistry, Manufacturing and Controls (CMC)						
Clinical Peckaging(PARD)					0.9	\$231
Orug Safety Support						
Metabolism				•	1.6	\$432
Other Support Cost						
Research Quality Assurance					0.2	\$44
OUNC					-' '	
			Total	Total Internal	6.3	\$1,350
			Tota	Total Program:		\$8,670

Program Timeline					2002	2002 2003 2003 2004 01 03 03 04 01 03 03 04 01 03 03 04 01 03 03 04 04 03 03 04 04 03 03 04 04 03 03 03 04 03 03 03 04 03 03 03 04 03 03 03 04 03 03 03 03 04 03 03 03 03 04 03 03 03 03 03 03 03 03 03 03 03 03 03	20 10 10	2004	2003	2006				(\$606.1)
NDA submission now 2007 due to defarred CMC scalvilles. No Phase III CMC scilvilles until 2004 Plasmed Phase IIIs study delayed to 2004. Additional Phase II trials in melanoma, colorectal, and NSC have been deferred to 2004. The Phase I study in Japan has been deferred to 2004.	now 2Q07 de C activities un 6 study delaye Il trials in me erred to 2004. y in Japan has	ne to defurnd nii 2004 si to 2004. sianoma, color been deferred	CMC activities rectal, and NSC its 2004.	villes. Phase II Phase III I NSCL #2 Phase III		h II Oorbeje Intinte Phase Ib	ur Do					2013 PROGRAM COST		Plan 18,239.0
2003 Clinical Program Objectives	acram Obje	stires												
Complete essotiment of aviestors plated of organist Prince i frais MOU-133 (4/U3) and MUI-3/U2 (2/U3) Complete essotiment of five Place II (rigis; NSCL and renal 10/03; lymphonts, sarcons and breat 1,2/03	ment of five PI	Hon phates of huse II (rials:	Fongoing Plans NSCL and renal	1 trials MOG-1	33 (4/U3) and longa, sarcoma	Think I Briais M(OV-153 (4/U3) and M(O1-302 (2/U3)) renal 10/U3; lysayborsa, sarroms and breast (2/U3)								
Go/Ne Ge declas	ion on Plaue L	76 9/03, Selen	el terpor lype an	d begin prote	col preparation	Gon'te Go decision on Plaus ID 9/03. Selest temor type and begin protocol preparation for primary indication.	io.							
Description of Internal Activities:	ternal Acti	ritiesi												
Discovery Combination Developmen	m studies (ehe m of biomarke	metherapy ac er predictive c	overy Combinaton nucles (ekemotherny) wad mylogenesis babib ke Development of bloss acter predictive of therspessik response.	inklijbkora) kr spouse.	enimal models	overy Combination studies (chemethernpy and anylogenests babishiors) in asional models to suppon clinical trials. Development of biomerker predictive of therspeciale response.	triels.							
SPD Deliver (440	Doliver (4/03) final 6 kg of drug aubatasec from	nsqne Bup ja	mec from 2002	enegeign. Dr	2002 campaign. Drug to rupport Phuso II.	'hase II								
PARD Delivet upp	xoved clinical	salephies sec	D Delivez approved citnical supplies necessary to complete Phase II program.	eto Plesse II pr	often.									
Drug Safety ADMTE stud Inklase 6-tn Comptete 4	dies (cut metal hordh eat tot (i frug, ænalysis a	bolism, protei 1/03) and 9-m nd PK, sustan	Safety ADME studies (ou metabolism, promin binding in 3 species, CYP lahibisi Inkline 6-month na toz (1/03) and 9-month monthay taz (3/03). Comptete drug analysis med PK summary for two Plane I studies by 12/03	pecies, CYP i ix (3/03). v I studžes by	nhibitlon) la a 12/03.	, Safety ADME studies (int membolism, provein binding in 3 species, CYP labibition) in non-rodent species to assist in interpretation of 6-month tox findings and support clinical programs inklanc 6-month rat tox (1/03) and 9-month monthey tox (3/03). Completed drug enalysis and PK susamary for two Plance I modies by 12/03.	o assist in interpr	cistion of 6-mon	h tox fladings and	support elinical pr	undo			
Regulatory Affairs End of Phase	listory Affalm End of Phase II arresting with FDA 12/03.	with FDA 12/	, p									•		
Program Status														
Phus II cancer target modified as manit of 2003 Plus cost refuseinas. Revised plus includes 5 Pluse ile triais (Lang, Lymphonus, Renal Triai designs include does fissing, single agent, and chemotheray	r II carcer tergets modified as result of 2003 Plas Revised plas includes 5 Phase De trials (Lang, L Trial designs include dose finding, single agent,	ed as rusuit of Phase De trial te finding, sh	f 2003 Plan cool is (Long, Lymph ugle agent, and c	reductions. Jense, Ranol, I Scraotherapy	Stratet, and san combination a	n II cancer vargets modified as result of 2003 Plan cen reductions. Revised plan includes 5 Planes IIs triate, (Lang-Lymphoens, Renal, Bresst, and sercome) to Metally signal of activity. Trial designs include does finding, single agent, and chemotherapy combination studies with both response and tisse to progression endpoints (total pedents reduced from 410 to 340).	gand of activity. sponse and time t	so nojstazitori o	spoints (total patie	ens reduced from (10 to 340).			
Drug substance deliveries 4Q02/1Q03 will support all of Phase II programs No additional CMC activities will occur in 2003. NDA Biling moved from 2Q06 to 2Q07 to accommodus deferred CM	y substance deliveries 4Q02.1Q03 will support al No additional CMC setivities will occur in 2003 NDA Miling moved from 2Q06 to 2Q07 to secon	02/1Q03 will vikiss will occ 2Q06 to 2Q0	substance deliveries 4Q02/1Q03 will support all of Phase II program. No additional CMC activities will occur in 2003. NDA filling moved from 2Q06 to 2Q07 to accommodate deferred CMC activities.	hare II progra	ss. MC activities.									
2081	7007	2003	7007	2002	Fuure Yra	Intel							<u> </u>	
88	\$ 12.3	218.2	29.0	9.00	5 147.4	\$ 256.3							:	

(vienia).	Winds Walterday Burney	Daniellad	777	F 7	000	7 Diam's Dillings
200	Total Laneurs	Chronen	2,447		777	4VV3 4 18/01 VV33
New Cilcical Activities:						
M02-534 Phase II Sarcome	09		12/2/02	12/1/03		\$1,212
Cancer Models			5/1/03	1/31/04		\$297
Subtotal New Clinical Activities:						\$1.509
Ongoing Clinical Activities:			•			
NOS AND Distant II I man Comment	•		00,777	445500		4180
	04		70/6/11	50,511		
	100		12/2/02	12/1/03		104.14
M02-428 Phase II Renal Cancer	190		12/10/02	12/10/03		\$1,348
M01-302 Multiple Low Dase	49	37	12/4/01	7/30/03		\$586
Phase II Breast Cencer Combination	40		1/6/03	1/5/04		\$532
Phase IIb/III Triel in NSCLC	400		1/15/04	10/3/05		2442
Cancer Models 2002			7/1/02	1/31/03		\$118
Subtate Oncolor Clinical Activities			!			EE 280
						007'04
PARD						\$388
Process R&D						\$36
Pre-Clinical Salety Support						
Pre-Citrical Safety Support				•		51 134
				-		40 224
Internal					FIE	(\$0002)
Clinical Program						
Global Project Mgml					6.9	\$2.632
Phase I Center Support					1.1	\$361
European Clinical Organization					0.9	\$127
Data Management/Statistics					6.4	\$1,150
Chemistry, Manufacturing and Controls (CMC)						
Formulation (PARD)					1.0	\$239
Analytics for Formulation(PARD)						\$475
Analytics for Process Chemistry (PARD)					2	\$230
Clinical Peckeging(PARD)					6	\$1 030
Process R&D					-	8265
Drug Safety Support					1	
Toxicology/Pathology					1.4	\$380
Metabolism					4.2	£1 14B
Other					0.5	\$136
Other Support Cost					•	!
Discontinuo (Thereses) of the control of the contro					•	
Medical Sarvices					4.	\$372
					•	
		•			3	
l					9	0716
			Total	Total internal	34.4	\$9.915
			2	111111111111111111111111111111111111111	1.5	21.01.00
)EN			Total	Total Program:		\$18,239



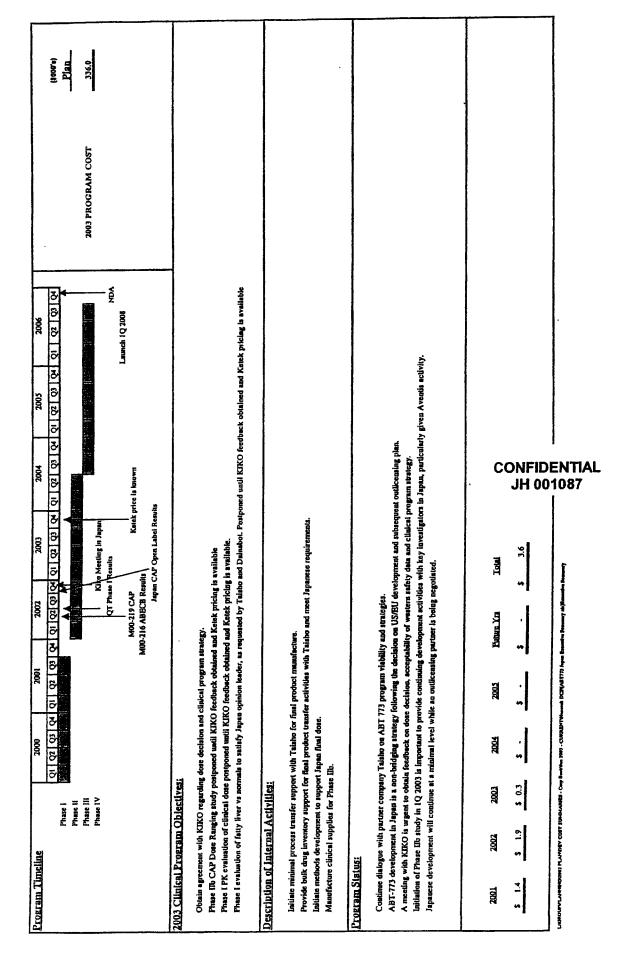
Exigrati: Ongoing Clinical Activities: M02-47 Phase II (Bress!) M02-46 Phase II (Lurg Cancer) M02-46 Phase II (Colorectal Cancer) M02-416 Phase II (Renal Cancer) CMC PARD Process R&D	Total Patlents.	Enrolled	Start	End	700	2003 Plan (000s)
Ongoing Clinical Activities: M02-447 Phase II (Bress) M02-46 Phase II (Lung Cancer) M02-46 Phase II (Color-actal Cancer) M02-416 Phase II (Renal Cancer) Subtotal Ongoing Clinical Activities: CMC PARD Process R&D	04	•				
447 Phase II (Bress) 448 Phase II (Lung Ca 446 Phase II (Colored 416 Phase II (Renal Ci	40	•				
446 Phase II (Lung Ca -446 Phase II (Renal Ci -416 Phase II (Renal Ci tD			10/1/02	10/1/03		\$785
-446 Phase II (Colorect -416 Phase II (Renal C. tD	5		11/1/02	11/1/03		\$324
416 Phase II (Renal C. tD	; S		12/1/02	12/1/03		\$482
ID 2008 R&D	3 8		11/1/02	44/1403		8338
tO sess R&D	3					\$1.937
PARD Process R&D						
Process R&D						\$15
						\$130
			Total Externa	iar		\$2,082
nternal					ETE	(\$000\$)
Clinical Program						
Global Project Mami					7 0	£0 404
Phase I Center Support						\$2,121
European Clinical Organization					70	795
Data Management/Statistics				•	4	\$638
Chemistry, Manufacturing and Controls (CMC)						
Formulation (PARD)					3.4	\$841
Analytics for Formulation(PARD)					3.5	\$948
Analytics for Process Chemistry (PARD)					1.8	\$478
Clinical Packaging(PARD)					9.0	\$217
Process R&D					2.2	\$1,183
Drug Safety Support		•				
Taxicology/Pethology					0.2	\$49
Metabolism					2.1	\$573
Other					0.2	\$264
Other Support Cost						•
Discovery (Therapeutic Discovery)					9.0	\$149
Medical Services						220
Research Quality Assurance					1.0	\$274
Medical Affairs					0.1	\$17
Cother Other					c	3 5
					250	1,1,00
			lotai	rotal Internal	27.9	\$8,144

ABT-773 Base 2003 Plan Executive Program Summary

Program Timeline			2000		200		2003	5	8	25	2006				Г
	Phase I Phase II Phase III Phase IV			8	Acon Moor	22 (93 (94 (91 (92 (93 (94 (94 (94 (94 (94 (94 (94 (94 (94 (94	Q1 Q2 Q3 Q4 Q1 Q2 Q1 Q2 Q1 Q2 Q2 Q2	Qr Qz Qz Qz Qz Qz Qz Qz	Q4 Q1 Q2 Q2 Q4 Q1 Q2 Q	<u>වී</u> වී	ঠ গু		2003 PROGRAM COST	(300°s) Plan 1,367.0	
2003 Clinical Program Objectives:	am Objecti	Yesi										-			Τ
Complete clinical study report for M00-217 ABECB in Europe Complete data classification, stats analysis and clinical study report for M00-222 Pharyngius in Burope. Complete final reconciliation of all clinical study external expenses. Provide support for annual IND update Provide support for due diligence activities for the Licensing group.	tudy report for sification, stats miciliation of all samus! IND up due diligence i	M00-217 Al analysis and Il clinical stu pdate activities for	SECB in Burr clinical study dy external er the Licensing	pe t report for MOG tpases. group.	-222 Phayngids	in Burope.									
Description of Internal Activities:	rnal Activit	ies:													
Support bulk drug and final product stability program (24 mo timepoint) as per FDA end-of-Phase II agreement	and final produ	ict stability p	rogram (24 m	o timepoint) as p	per FDA end-of-?	hase II agree	ment								
Program Status:															
US and European development will not continue while out licensing partner being sought.	development w	vill not conti	ne while out	licensing partner	r being sought.				:						
2007	2002 20	2003	2004	2002	Puture Yes	Total									
\$ 80.3	\$ 13.8 \$	2.	-			6	95.5								
HATING THE THE PROPERTY OF THE STATE STATES AND THE	EV CORT SCIENCE ASS														Γ

External:	Total Patients	Enrolled	Start	End	200	2003 Plan (000s)
CMC PARD						\$10
			Total External	ernal		\$10
nternal					FIE	(\$000\$)
Clinical Program						
Global Project Mgmt					4.4	\$294
Pheae I Center Support					0.1	5.
Data Management/Statistics					9	\$82
Chemistry, Manufacturing and Controls (CMC)						
Formulation (PARD)					8.0	\$215
Analytics for Formulation(PARD)					1.2	\$330
Analytics for Process Chemistry (PARD)					9.0	\$166
Clinical Packaging(PARD)					0.0	288
Drug Safety Support						
Other					0.2	254
Other Support Cost						
Research Quality Assurance					0.2	\$58
Regulatory Affairs						200
Olher					-0.1	\$(1)
			Total	Total Internal	5.2	\$1,367
			4-4-7	Total Branch		44 304

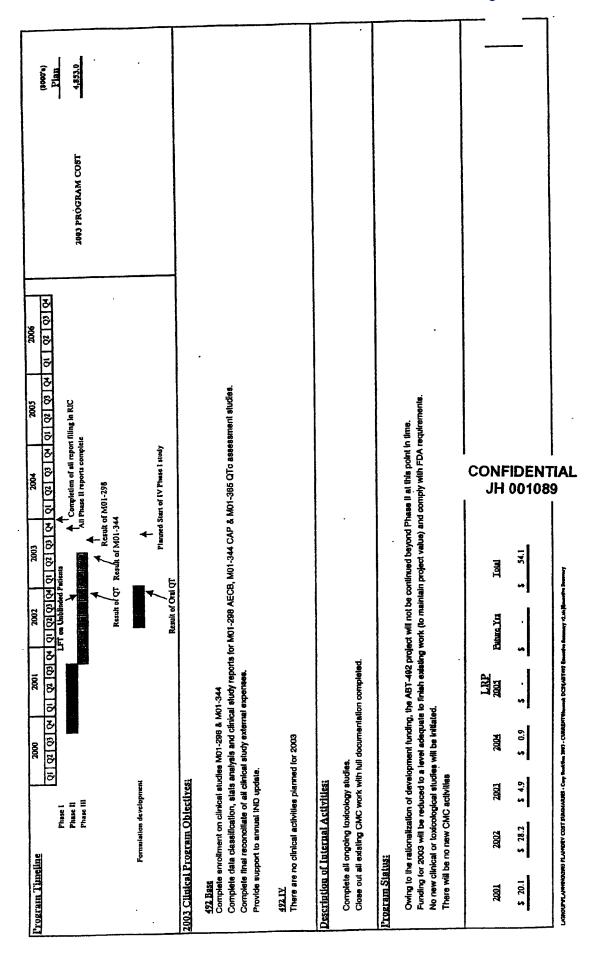
ABT-773 Japau 2003 Plau Executive Program Summary



57

Externali		
Total External		:
Internali	Plan FTE's	2003 Plan
Clinical Program Global Project Management	0.35	\$76
Chemistry, Manufacturing, and Controls (CMC) Formulation and Analytical (PARD) Process Chemiatry	0.30	\$109 \$151
Total Internal	1.25	\$336
Total Program	NOTE: Tal	\$336 NOTE: Tainhe will share 50% of these costs.

ABT-492 2003 Plan Executive Program Summary



						- W W W W W W W W W W W W W W W W W W W
Externali	Total Patients	Enrolled	Start	End	77	TRANS CIUDI ARAST
Ongoing Clinical Activities:						\$260
WBC Study Subtotal Ongoing Clinical Adivities:						\$250
			Total External	nel		\$250
menal					FTE	(\$0002)
Clinical Program						:
Globel Project Marn					6.9	\$2,029
Phase I Center Support					9.6	
Data Management/Statistics					7:7	205
Chemistry, Manufacturing and Controls (CMC)						į
Formstellon (PARD)					6.0	\$174
Analytics for Formulation(PARD)					0.3	Z (
Analytics for Process Chemistry (PARD)						2 6
Citatosi Peckaging(PARD)					2 6	5053
Process R&D					3	
Drug Safety Support					7	•
Taxlaskagy/Pethology					r 6	\$2! £813
Meieboltem					<u>-</u>	2
Other Support Cost					,	
Discovery (Therapeutic Discovery)					2.0	
Medical Gerylces						\$10 \$278
Research Quanty Assurance					2.0	
					•	
Regulatory Analis					-0.3	
			Total	Total internal	19.5	*
			151	Total Broarem:		\$4.863

ABT-724 (Dopamine 4 Agonist) Base Progra

ETE C\$00081	Total Internal \$75	1:							
					•			•	2005
				,					2002 2003 2004 5.5 0.1
Internal	Clinical Program Global Project Mami			•		CON	IFIDEN H 00109	TIAL 91	0.6

Hendricks Deposition Exhibit 11

P's Exhibit NN

ABBOTT

Global Pharmaceutical Products Division

James L. Tyree
Vice President
Globel Licensing and New Business Development

200 Abbott Park Road Abbott Park, Illinois 80064-6189

November 12, 2003

VIA FAX (612-572-1628) and U.S. MAIL
John Hancock Financial Services, Inc.
John Hancock Place
Post Office Box 111
Boston, Massachusetts 02117
Atin: Stephen J. Blewitt,
Senior Managing Director

Re: Research Funding Agreement Between Abbott Laboratories ("Abbott") and John Hancock Life Insurance Company, John Hancock Variable Life Insurance Company and Investors Partner Life Insurance Company (collectively, "John Hancock") Dated March 13, 2001 (the "Agreement")

Dear Mr. Blewitt:

In accordance with Sections 1.6 and 2.2 of the Agreement, enclosed please find the preliminary Annual Research Plan for 2004 and 2005.

In addition, in accordance with Section 2.5 of the Agreement, enclosed please also find the research report concerning the status of the Research Program and all Program Related Costs expended by Abbott for the first nine (9) months of 2003, together with good faith estimates for the last three (3) months of 2003. In addition, this report also contains the actual Program Related Costs for the period October 1-December 31, 2002.

Very truly yours.

James L. Tyrec, Vice President

Global Licensing/New Business Development

CONFIDENTIAL JH 001283

œ

VIA FAX (617-572-1628) & U.S. MAIL John Hancock Life Insurance Company 200 Clarendon Street, T-57 Boston, MA 02117 Attn: Bond & Corporate Finance Group

VIA FAX (617-572-9268) & U.S. MAIL John Hancock Life Insurance Company 200 Clarendon Street, T-50 Boston, MA 02117

Attn: Investment Law Division

FOR ID., AS OF 477/07

Giobal Pharmaceutical Research & Development Hancock Collaboration Spending by Proposity

		Spending by Program	Program				
						in thousands of dollars	is of dollars
				LBB	Plan	Prejection	
٠		7867	2002	702	3	2002	Her
ABT-100	FII	3,6	7	0.0	0.0	80	3
ABT-492	Quinolous	20.1	28.2	4.6	9.0	0.0	53.7
ABT-519	12 45L	8.8	123	17.4	700	41.6	110.5
ABT-518	MACFI	7.0	0.0	0.0	0.0	0.0	3,7
ABT. 594	Neuro Pain	7.8	3	0.0	0'0	0.0	2
ABT-627	Altracentar Base	2.4	48.1	20.4	31.1	36.1	199.0
ABT-627	Altreeten Hermone Native Prostate Concer	6.0	7	2.6	2.9	77	3
ABT-627	Japan	0.0	3	3	77	9.0	ņ
ABT-627	Non-Problem Canons	0.0	00	3.0	3.9	10.5	17.4
ABT-724	Doperates 4 Agoales	3.2	25	0.0	3	0.0	8.7
ABT-751	And-Mirotie	3	9.6	11.1	23.2	50.2	102.6
ABT-773	Base	80.3	13.8	970	3	2	24.5
ABT-773	Зарев	3		0.0	0.0	0.0	3
	Management Fest Milestones	0.0	10.0	2,0	7.0	8	140
	Other	2.2	6.8	00	00	0.0	0.9
	Total	171.7	141.3	91.6	1,90	(41.3	3
Cumulative	9.						
		2007	7007	2002	7007	2002	
ABT-100	FIT	3.6	6.0	60	0.9	6.0	
ABT-492	Quinolone	20.1	48.3	52.9	53,7	53.7	
ABT-510	T3P # i	3.5	21.12	38.5	64.9	110.5	
ABT-518	MAKFI	3.7	3.7	3.7	3.7	7.0	-
ABT-594	Neuro Palss	7.8	9.7	9,3	9.3	9.2	
ABT-627	Altrechia Base	34.1	82.3	132.6	163.7	199.8	
ABT-627	Airsesiaa Homone Naive Prostate Cancer	0.0	7		6.7	B,5	
ABT-627	Japan	0°0	0.1	8	3,0	3,6	
ABT-627	Non-Prostate Casocra	0.0	0.0	3,0	6.9	17.4	
ABT:627	Doparalas 4 Agents.	3.2	8.7	6.7	8.7	8.7	
ABT-731	Anti-Miotic	6.5	1.91	27.2	52.4	102.6	
ABT-773	Bine	80.3	3 .	<u> </u>	7	ል የ	
ABT-773	Japan	4.	3.3	3,3	3.5	9.3	
	Management Fee / Milesionea	0.0	00	120	14.0	14.0	
	Other	27	8	8	0.6	0,0	
	-	174.7	313.0	454.5	503.7	\$ 4.5 \$.	

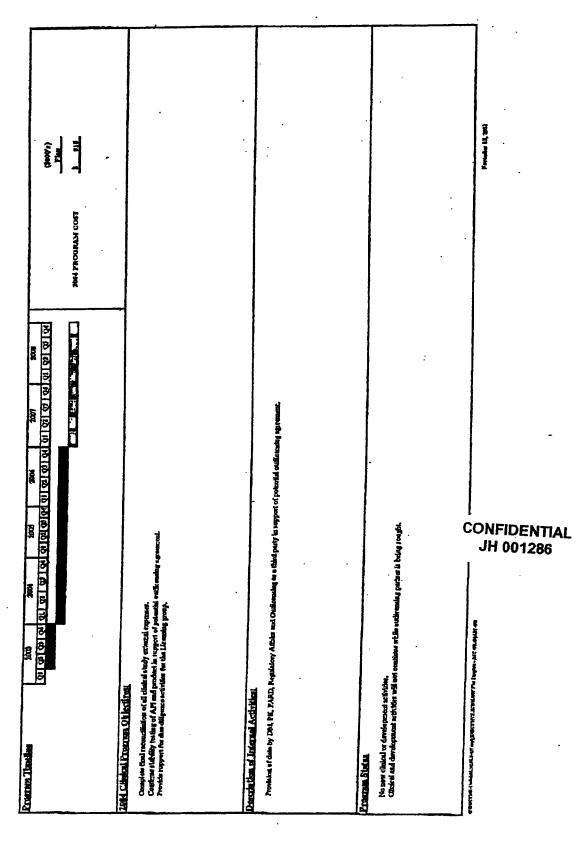
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Global Pharmaceutical Research & Development Hancock Collaboration Spending by Program In millions of dollars

otal Yr. 2003	0.0	17.4	56.5	11.1	0.0	2.0	91.6
Q4 LBE Total Yr. 2003	0.0	5,4	10.6	2.9	0,0	2,0	20,9
Q3 YTD 2003	0.0	12.0	45,9	8.2	0.0		70,7
2002	0.1	3.0	14.9	2,5	0.0	2.0	29.7
	ABT-100 ABT-492	ABT-510	ABT-627	ABT-751	ABT-773	Management Fee	Total

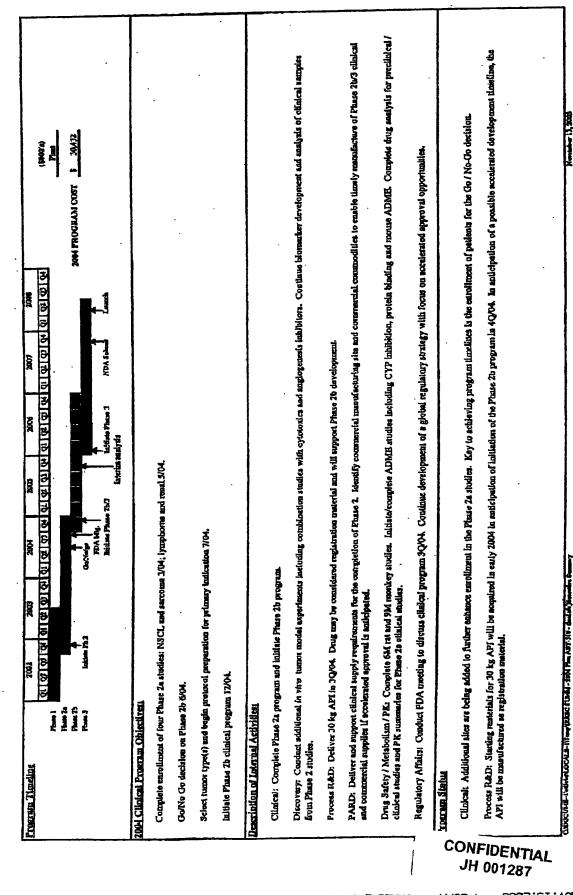
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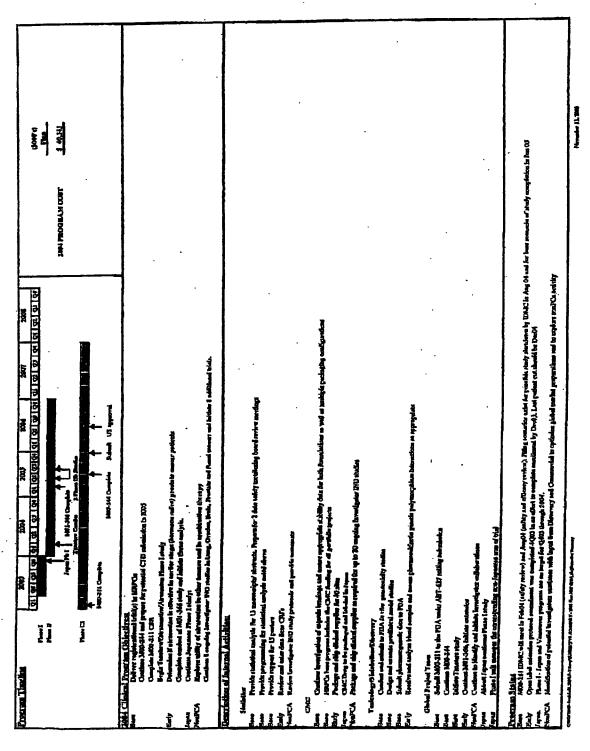


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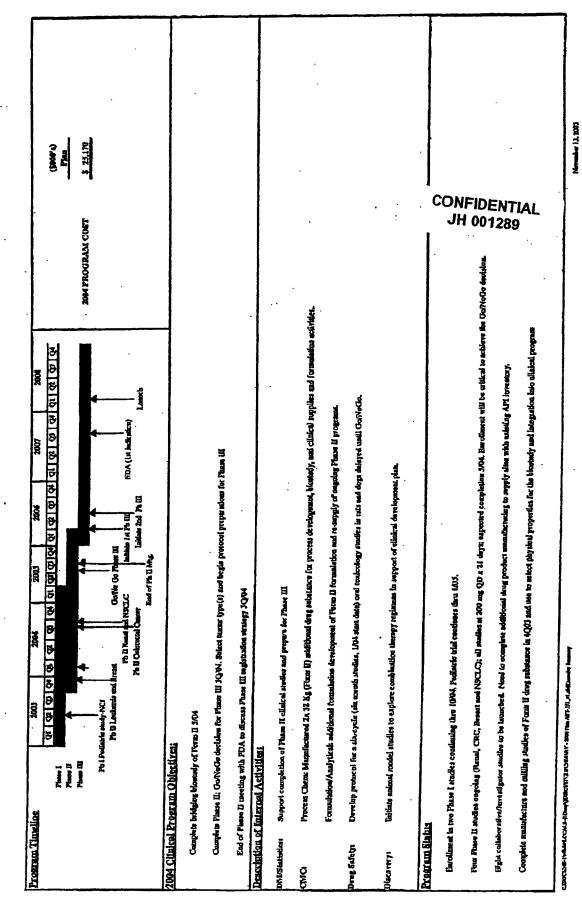
ABT-510 2004 Plad Executive Program Summary

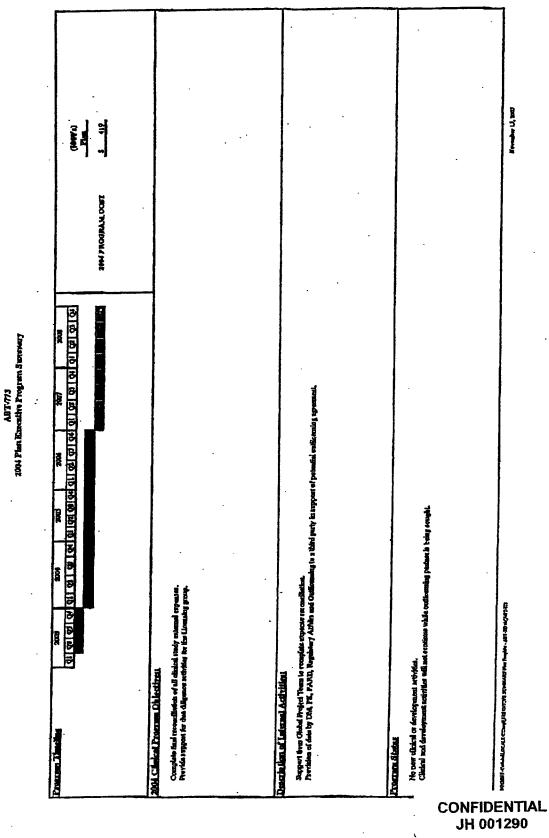






ABT 751 2004 Flan Executive Program Summary





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Hendricks Deposition Exhibit 12

P's Exhibit 43

JUN. 17. 2005 2: 20PM
- ABBOTT

JAMES L TYREE

NO.257 P.2

Abbott Laboratories 200 Abbott Park Road Abbott Park, Illinois 60064-3537

November 16, 2004

VIA FAX and U.S. MAIL

John Hancock Financial Services, Inc.
John Hancock Place
Post Office Box 111
Boston, Massachusetts 02117
Atm: Stephen J. Blewitt,
Senior Managing Director

Res

Research Funding Agreement Between Abbott Laboratories ("Abbott") and John Hancock Life Insurance Company, John Hancock Variable Life Insurance Company and Investors Partner Life Insurance Company (collectively, "John Hancock") Dated March 13, 2001 (the "Agreement")

Dear Mr. Blewitt:

In accordance with Sections 1.6 and 2.2 of the Agreement, enclosed please find Abbott's preliminary Annual Research Plan for 2005. Please note that the Plan sets forth Abbott's estimated spending of \$149.8 million provided Abbott receives Hancock's payments due under the Agreement in December 2004. If Hancock refuses to fund its portion of Program Costs under the Agreement, Abbott estimates spending during 2005 to be approximately \$87 million less than shown. In either event, Abbott's spending will exceed its \$400 million portion of the Aggregate Spending Target independent of Hancock's payments to date.

In addition, in accordance with Section 2.5 of the Agreement, please also find the research report concerning the status of the Research Program and all Program Related Costs expended by Abbott for the first ten (10) months of 2004, together with good faith estimates for the last two (2) months of 2004.

ABBT 0027246

CONFIDENTIAL

FOR ID., AS OF 4127/07

JUN. 17. 2005 2: 20PM JAMES L TYREE

NO.257 P.3

John Hancock Financial Services, Inc.

November 16, 2004
Page 2

Very truly yours,

James L. Tyre

cc: VIA FAX and U.S. MAIL

John Hancock Life Insurance Company

200 Clarendon Street, T-57

Boston, MA 02117

Attn: Bond & Corporate Finance Group

VIA FAX and U.S. MAIL

John Hancock Life Insurance Company

200 Clarendon Street, T-50

Boston, MA 02117

Attn: Investment Law Division

ABBT 0027247

ABBT 0027248

opment	Month 10 YTD 2004	0.6 18.9 31.6 1.8 1.2 0.8 11.4 0.4	7 88
Global Pharmaceulical Research & Development Hancock Funding Agreement Spending by Program in millions of dollars		ABT-492 ABT-510 ABT-627 Atrasentan Base ABT-627 Atrasentan Hormone Naive Prostate Cancer ABT-627 Japan ABT-627 Non-Prostate Cancers ABT-751 ABT-773 Total Program Spend	Grand Total Cash Flow

ABBT 0027249

1.

Cinicial Program	MnnANA HRPCA Espacial Access Prog Bubfolal Guinter Bubfolal G Clinical Program Global Program Global Program Global Drug Supply Pre-Clinical Bakaty Evaluation Matcholism Matcholism Other Support Coat Research Quelity Assessnor	Hercel Activities: 2903 Flan FIEE	٠		1400			TAMO FLAGORES
Total External Total Internal Tota	Program Program on Clinical Organization ensurement/Substitus cal Safety Eveluation fem in Quelliv Assesance	2005 Plan FIEs				90%0	7010	\$7,209
Parcell Parc	Program Palect Mann on Clinical Organization angoment/Statistics Ang Supply cal Safety Evaluation pport Cost is Quellit Assurance	2005 Plan FIEs			Total	xternal		\$7.289
Partell Partells Floral Other Other	Program Project Momi no Carlosi Organization Inspenses (Selection Inspenses (Selection in Ouelity Assurance	;		26	000st Chargeable			7005 PV C.(404-1
1.2 \$198 \$51 \$14 \$102 2.2 \$256 \$54 \$54 \$54 \$102 2.2 \$256 \$54 \$54 \$54 \$100 0.0 \$50 \$50 \$517 \$50 \$5174 0.0 \$50 \$50 \$51 \$10 \$50 \$5174 0.0 \$50 \$50 \$50 \$5174 0.0 \$50 \$50 \$5174 0.0 \$50 \$50 \$5174 0.0 \$50 \$50 \$5174 0.0 \$50 \$50 \$5174 0.0 \$50 \$50 \$5174 0.0 \$50 \$50 \$5174 0.0 \$50 \$50 \$5174 0.0 \$50 \$50 \$5174 0.0 \$50 \$50 \$5174 0.0 \$50 \$50 \$5174 0.0 \$50 \$50 \$5174 0.0 \$50 \$50 \$5174 0.0 \$50 \$50 \$5174 0.0 \$50 \$50 \$50 \$5174 0.0 \$50 \$50 \$50 \$5174 0.0 \$50 \$50 \$50 \$5174 0.0 \$50 \$50 \$50 \$5174 0.0 \$50 \$50 \$50 \$50 \$50 \$50 \$50 \$50 \$50 \$5	voject Memi n Calvinal Organization nurgement/Selatistas vog Supply sel Safety Eveluation sen pport Cost ti Quellir Assesance	•	Parroll		Elved	Overhead	Other	7744414 11817 7542
2.9 5304 834 139 5370 2.9 5270 8119 539 5174 0.0 50 57 87 81 819 4.2 520 57 87 81 819 4.2 130 77 81 819 Total Infarral Total Project:	reportering Springers very Supply seal Safety Evaluation sear pport Cost is Quelly Assurance	7.	\$168	ž	314	\$403		
2.5 \$770 \$18 \$30 \$174 0.0 \$0 \$0 \$0 \$9 \$6 4.2 \$20 \$77 \$1 \$1 \$16 Total Project:	voj Supply an Safety Eveluation an pport Cost ti Quelity Ansuance	0 6		Ξ .	•	•		773
0.0 50 50 50 50 50 50 50 50 50 50 50 50 50	an pport Cost ti Quellit Assusance	2.9	\$270	\$1.10 \$1.10	<u> </u>	. \$370 \$174		\$787
02 520 51 11 115 115 115 115 115 115 115 115	pport Cuelt fi Cuelir Aremance	0.0	S	5	1	•		
4.2 50 57 File Internal Total Project:		!	3	\$	2	33		9
Total Project:		4.9	230	22	11	815		3
							IO(B) Myschay	\$1,812
							# # # # # # # # # # # # # # # # # # #	

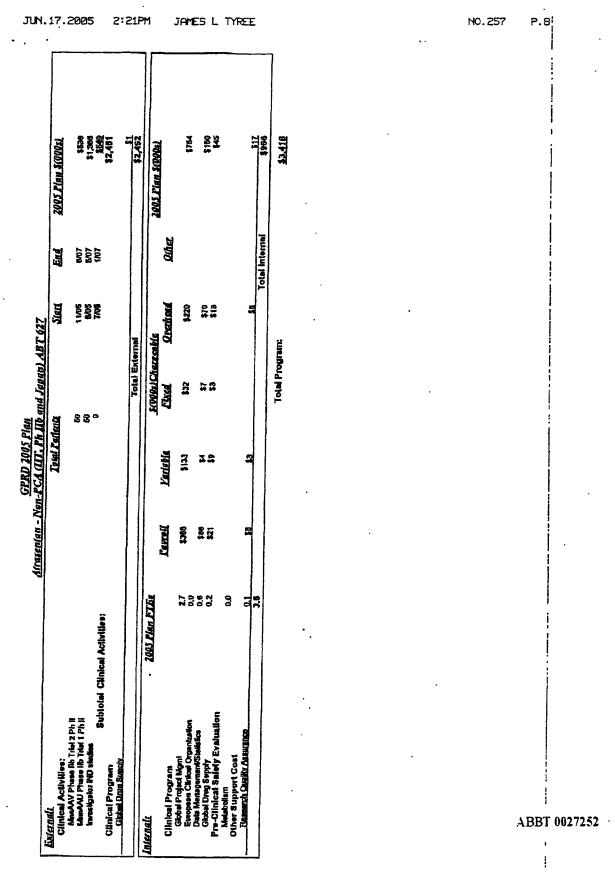
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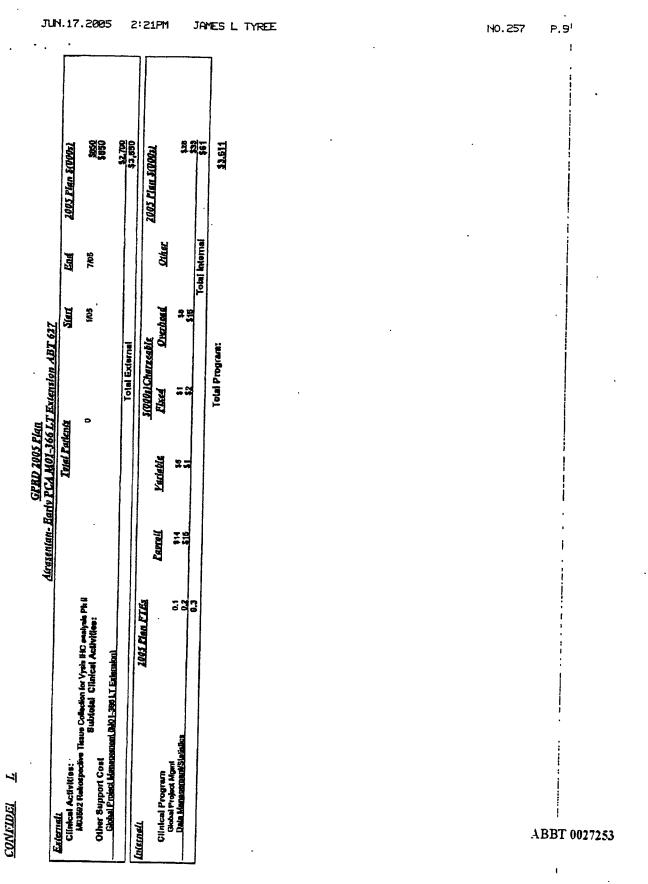
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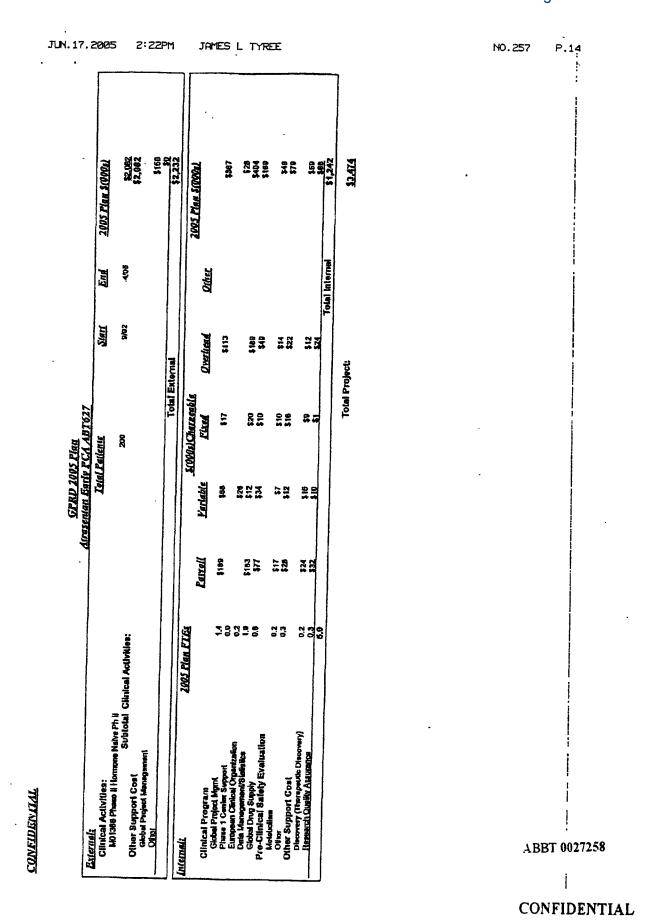
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2005 Plen \$(000s)	\$200 \$750 \$1,376 \$740 \$277	\$8,406 \$2,700	\$5.00 \$1,00 \$1,202	9998	\$17,295	2005 Plan S(0005)	\$7,228 \$901	\$1,098 \$1,705 \$2,128	\$1,022 \$1,022 \$1,001 \$1,001	80,372	\$624 \$1,133 \$120	0086 9944	114,128	244.708	
Bod	12/05 2/07 1/07 1/08 12/08 2/05					Other				51,481			Total Internal		
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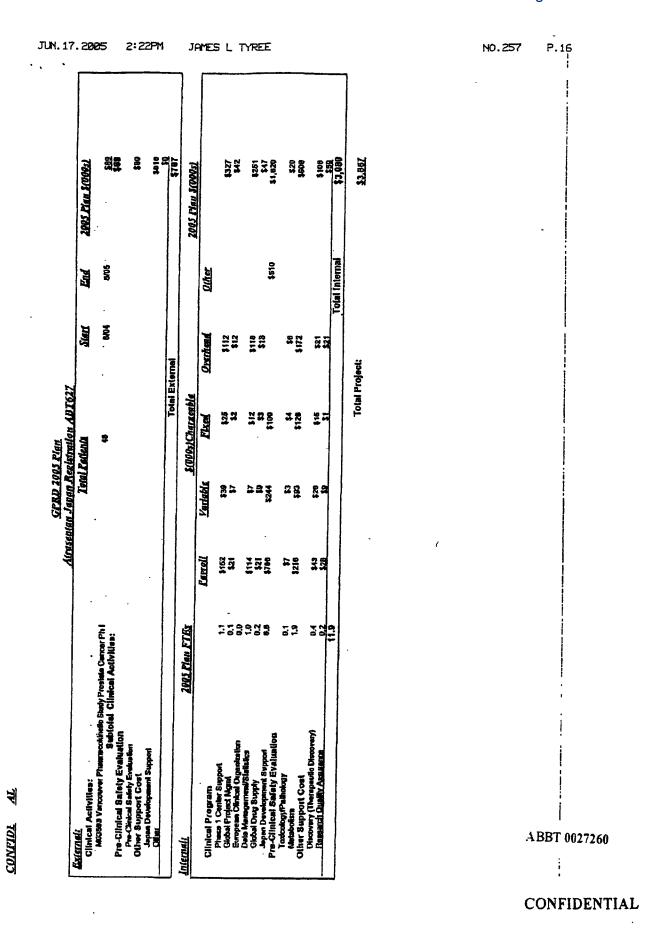
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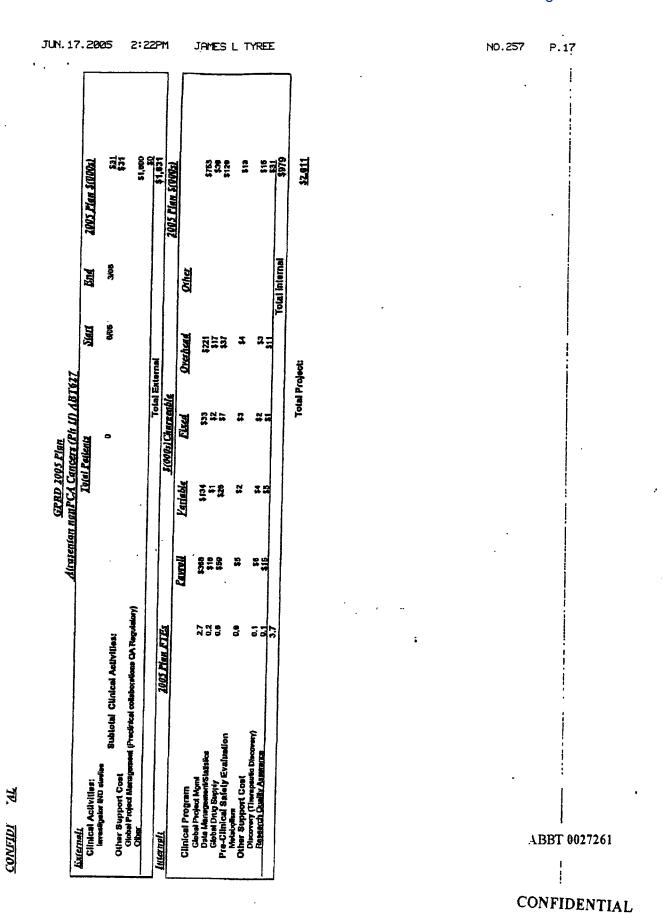
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JUN. 17, 2005 2:22PM JAMES L TYREE

P.18 NO.257

John Hancock Funding Agreement Development Portfolio Annual Progress Report (November 2004)

ABT-627

a) US New Drug Application submission is planned for December 2004.

b) The Phase 3 pivotal trial M00-244 is continuing, with the February 2004 Independent Data Monitoring Committee recommending the trial be allowed to proceed

c) Completion of enrollment for Phase 2 trial M01-366 occurred in May 2004.

d) Enrollment continues for the Phase 1 pharmacokinetic study in Japan (M02-466). The second cohort (10 mg dose level) is currently enrolling, along with initiation of M03-593 to match patients from M02-466.

e) The conduct of nine investigator-initiated studies continues. A total of 270 patients are enrolled as of October 13, 2004.

A pharmacokinetic study of atrasentan in combination with docetaxel and prednisone (M03-655) has been initiated.

ABT-510

- a) Phase I: The last patients are complete in our Phase I Studies: M00-153 (Escalating Muttiple Dose in Patients With Advanced Cancer); and M01-302 (Study Of Two Dose Schedules in Subjects With Advanced Cancer).
- - Sarcoma Enrollment complete; patients active (in treatment)
 - Renal Enrollment complete; patients active
 - Lymphoma Enrollment continuing, patients active
 - Lung (NSCLC) Enrollment was stopped and the study discontinued after interim analysis failed to meet pre-specified criteria for efficacy. Patients are active.
- c) Phase III: Development and planning of Phase III Sarcoma program has been initiated, including the submission of a data package to the FDA and EMEA.
- d) Collaborations: A collaborative study is underway in metastatic melanoma.

ABT-751

- a) Phase I: Currently, one of two adult Phase I studies are open. A total of 106 patients have been enrolled in the two studies to date. Maximum tolerable doses (MTDs) have been determined for three of the four dose schedules covered by these studies.
- b) Phase II: Three of four Phase II trials are ongoing, with 207 patients enrolled in the four studies.
 - Renal Enrollment complete, patients active
 - Lung Enrollment complete, patients active
 - Colorectal Enrollment nearly complete, patients active
 - Breast Enrollment stopped and study discontinued after interim analysis failed to meet pre-specified criteria for efficacy; no patients active
- c) Collaborations:
 - The study in adult leukemia has been completed after enrolling 32 patients.
 - The study in pediatric cancers is ongoing with 44 patients enrolled.
 - Other collaborations are underway in coloractal cancer, lung cancer and prostate cancer, both with ABT-751 as a single agent, and in combination.

ABBT 0027262

Page 1 of 2

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JUN. 17. 2005 2:22PM JAMES L TYREE

NO. 257 P. 19

John Hancock Funding Agreement Development Portfollo Annual Progress Report (November 2004)

ABT-773

On October 29, an Option Agreement was signed with Advanced Life Sciences, a private company based in Woodridge, Illinois, for an exclusive option to license ABT-773. The option expires on December 13, 2004. If the option is exercised, Advanced Life Sciences will have an exclusive license to develop, manufacture and commercialize ABT-773 for any human therapeutic uses. Territory lights are worldwide except Japan.

ABT-492

Over the past year, Abbott has re-contacted companies that have anti-infective businesses to inform them that ABT-492 is still available for out-license. Abbott has sent non-confidential summaries of the compound to several smaller companies that have responded with expressions of interest. Four companies have pursued additional information under confidentiality agreements; however no prospective licensees are currently showing strong interest in pursuing a transaction.

ABT-724

We are actively pursuing the out-licensing of ABT-724 and solicited interest from 57 companies. Initially a non-confidential summary was provided, and if further interest was expressed, a confidential summary was provided to a sub-set of those companies under an appropriate confidentiality agreement. Currently there are four companies with which there are ongoing discussions. Currently there are no bids which would compel us to move forward into further discussions / negotiations.

ABBT 0027263

Page 2 of 2

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Hendricks Deposition Exhibit 13

P's Exhibit OZ

Abbott

Global Pharmaceutical Licensing and New Business Development D-RSOJ, AP34 200 Abbott Park Road Abbott Park, IL 60064-6187 Tet (847) 937-1436 Fax: (847) 937-1771 Email: suzanne.a.leboid @abbott.com



January 20, 2006

VIA EMAIL AND FEDERAL EXPRESS

Mr. Stephen J. Blewitt Senior Managing Director Bond & Corporate Finance Group John Hancock Life Insurance Company John Hancock Place Post Office Box 111 Boston, Massachusetts 02117

Re:

Research Funding Agreement Between Abbott Laboratories ("Abbott") and John Hancock Life Insurance Company, John Hancock Variable Life Insurance Company and Investors Partner Life Insurance Company (collectively, "Hancock") Dated March 13, 2001 (the "Agreement")

Dear Steve:

Per my e-mail yesterday, enclosed please find Abbott's preliminary Annual Research Plan for 2006, in accordance with Sections 1.6 and 2.2 of the Agreement.

In addition, in accordance with Section 2.5 of the Agreement, please also find the research report concerning the status of the Research Program and all Program Related Costs expended by Abbott for the first eleven (11) months of 2005, together with good faith estimates for the last month of 2005.

Sincerely.

Suzanne A. Lebold, Ph.D. Divisional Vice President

Scientific Assessment and Technology Licensing

Cc: <u>Via Federal Express</u>

John Hancock Life Insurance Company 200 Clarendon Street, T-57

Boston, MA 02117

Attn: Bond & Corporate Finance Group

John Hancock Life Insurance Company 200 Clarendon Street, T-50

Boston, MA 02117

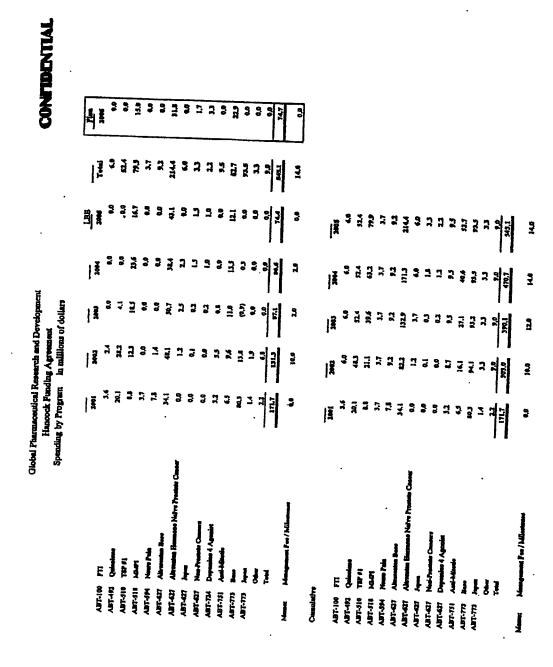
Attn: Investment Law Division

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ABBT 0026105

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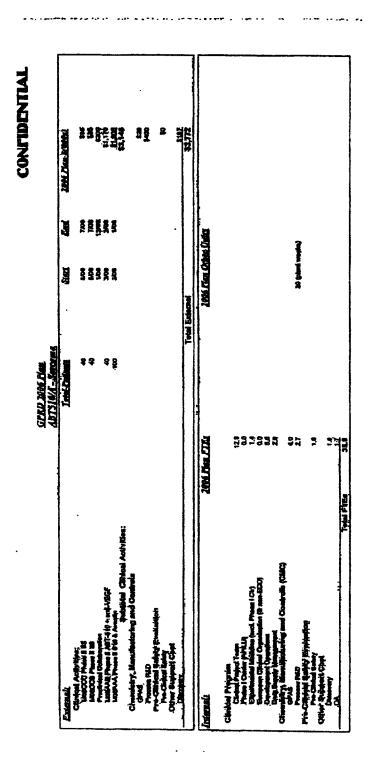
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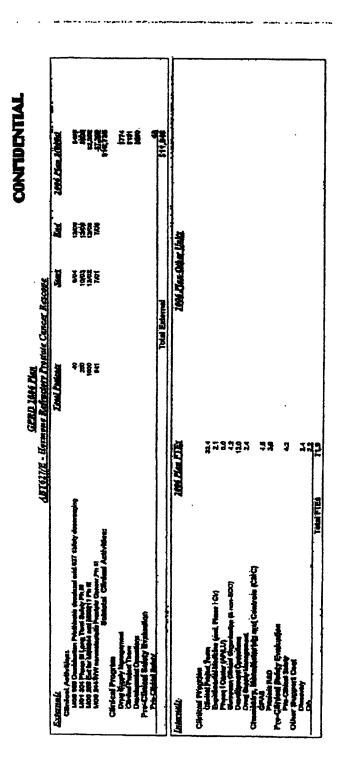
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ABT-751

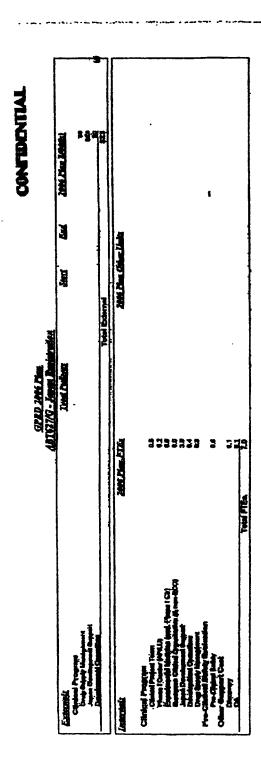
ABT-510

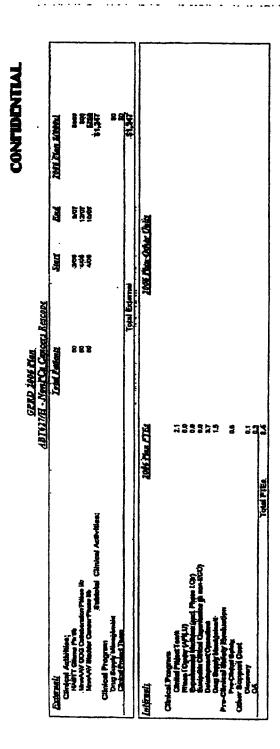
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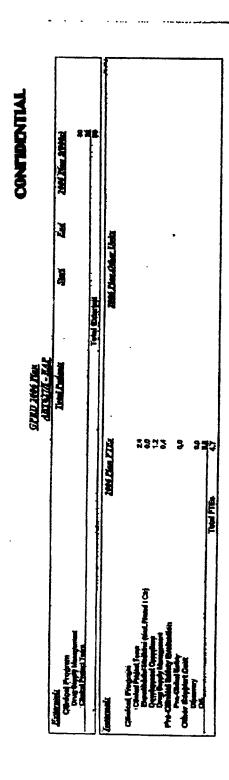
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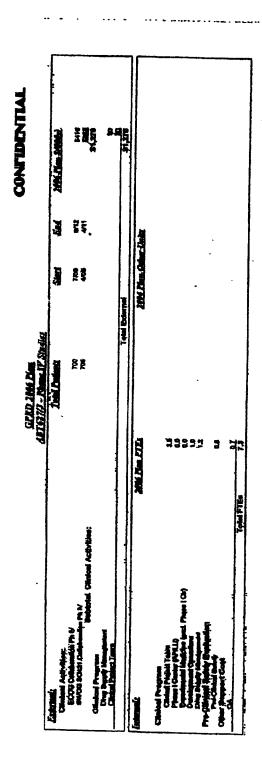


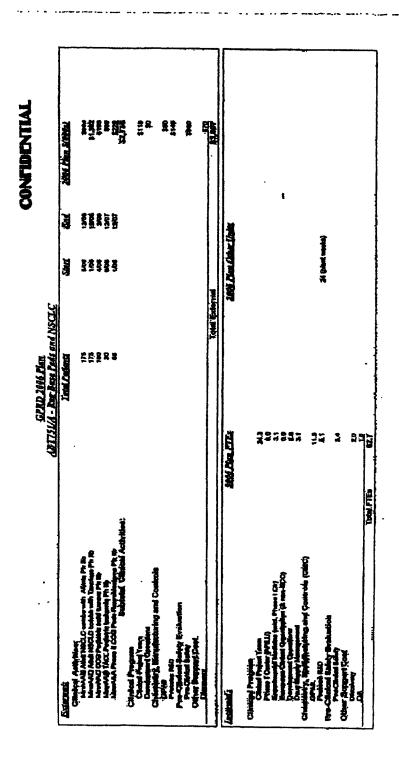












John Hancock Development Portfolio Annual Progress Report (January 2006)

1) ABT-627

- a) Phase 3 pivotal trial M00-244 in non-metastatic HRPC is expected to complete within the second quarter of 2006. Decision and timing regarding a New Drug Application will be based on the outcome of the trial and the timing of data, respectively.
- b) Study M01-366 in hormone-naive early stage PCa was completed in March 2005. The trial did not demonstrate a treatment effect of atrasentan on PSADT compared to placebo.
- c) The pharmacokinetic study of atrasentan in combination with docetaxel (Study M03-655) is fully enrolled and a favorable pharmacokinetic, safety and efficacy profile was observed with the combination in patients with metastatic HRPC.
- d) The SWOG is planning to initiate a Phase 3 multicenter trial of docetaxel with or without Xinlay in men with metastatic HRPC. The trial is planned to start in late second quarter of 2006
- e) The Japan pharmacokinetic trial (M02-466) was completed with a favorable, linear pharmacokinetic profile of atrasentan in Japanese HRPC patients, generally consistent with the PK seen in Caucasian volunteers. There were no safety concerns identified in the Japanese patients in doses up to 20mg. The companion study M03-593 in Caucasian patients has enrolled the 10 mg cohort of patients with the 2.5 mg cohort currently enrolling. The study is expected to end by the end of 3Q06
- f) The Non-prostate cancer clinical strategy for Xinlay is under review, with clinical and/or preclinical signals identified in ovarian cancer, malignant glioma and bladder cancer. Collaborations are underway with NABTT, GOG and the University of Virginia to develop clinical trials for these indications. Five ongoing investigator initiated trials are expected to be completed by the end of 2008

2) <u>ABT-510</u>

- a) Phase 2: Studies in Renal, Lung, Lymphoma and Sarcoma completed.
- Randomized Phase 2b study combining ABT-510 with a multi-targeted kinase inhibitor (e.g. sorafenib or sunitinib) in advanced renal cell carcinoma is in preparation.
- Data do not warrant proceeding in Non Small Cell Lung Cancer. Small response rate observed in Lymphoma; strategy being developed.
- d) Phase 3: Phase 2 Sarcoma study and Phase 3 sarcoma strategy reviewed with FDA and EMEA. Based upon regulatory agency guidance and a subsequent feasibility study, the Phase 2 sarcoma study showed insufficient separation from historical control to proceed with the Phase 3 sarcoma trial.
- e) Collaborations:
 - Melanoma study stopped after 21 patients did not achieve efficacy target at interim analysis. Follow up studies evaluating a higher dose of ABT-510 and ABT-510 in combination to be initiated.
 - ii) Three studies ongoing in Head and Neck Cancer, Glioma (brain cancer) and in GI solid tumors in combination with Avastin.
 - iii) Two three additional studies in preparation evaluating ABT-510 in combination therapy in breast cancer and prostate cancer.

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3) ABT-751

- a) Phase 1:
 - Two Abbott-sponsored Phase 1 studies are complete. A total of 112 patients were enrolled, MTDs have been determined for the four dose schedules interrogated in these studies.
 - Two Collaborative Phase 1 studies are either completed or ongoing. A total of 93 patients were enrolled to date.
 - (1) Study in pediatric cancer ongoing with 61 patients enrolled; amended to include a neuroblastoma only cohort
 - (2) Study in adult leukemia has been completed after enrolling 32 patients (published)
- b) Phase 2: Four Phase 1 trials enrolled 209 patients
 - i) Renal Enrollment complete, patients active.
 - ii) Lung Enrollment complete, patients active.
 - iii) Colorectal Enrollment complete. No patients active.
 - iv) Breast Enrollment stopped and study discontinued after interim analysis failed to meet pre-specified criteria for efficacy. No patients active.
- Collaborations: Four collaboration studies are underway. Two pediatric collaborations studies are in the planning stages.
 - Collaborations are underway in colorectal cancer, lung cancer and prostate cancer, with both ABT-751 as a single agent, and in combination.

4) ABT-773

Advanced Life Sciences now controls this asset pursuant to the license agreement executed in late 2004 with John Hancock's consent. The development plan is outlined in the company's S-1 document; they are continuing Phase III development with the intent to register the asset.

5) ABT-492

Wakunaga approached Abbott regarding the return of rights to the asset so that they could out-license the asset or further develop it on their own. Abbott has successfully negotiated the return of rights agreement and has requested consent from John Hancock in order to effectuate this transaction.

5) ABT-724

A small blotechnology company has expressed an interest in the asset, but it must first secure funding to support the license. The fact that the Phase I data did not demonstrate spontaneous erections has been a challenge to potential licensees. We will continue to discuss this asset with prospective partners as appropriate.

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Hendricks Deposition Exhibit 14

P's Exhibit LT

Forecast Methodology and Assumptions Early Oncology Pipeline Portfolio Analysis January 2001

Lori Taylor

Anil Namboodiripad

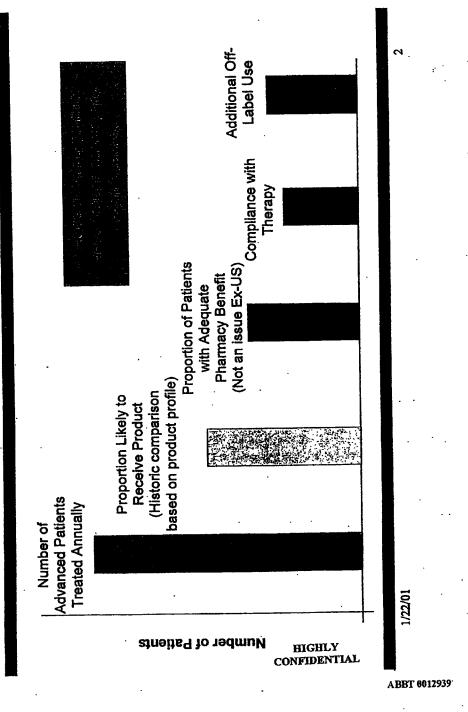
January 21, 2001

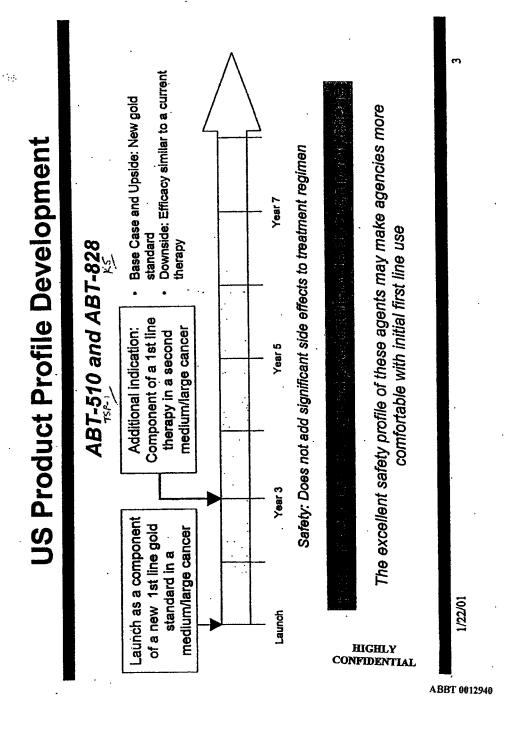
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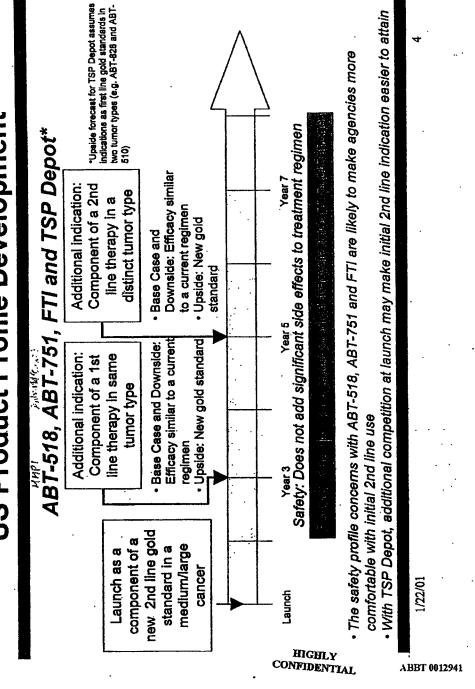
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US Methodology

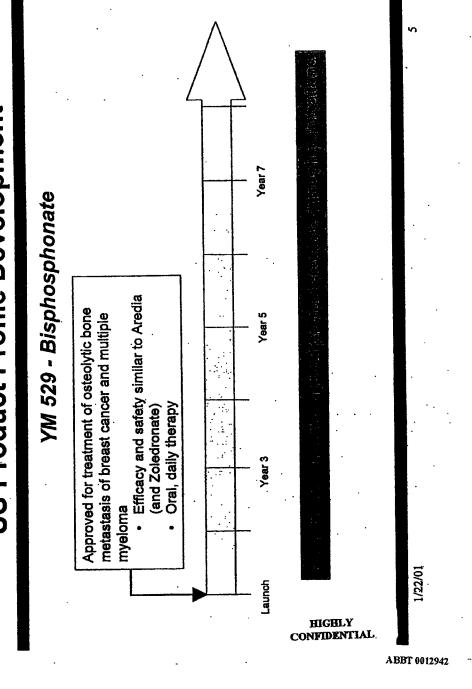




US Product Profile Development





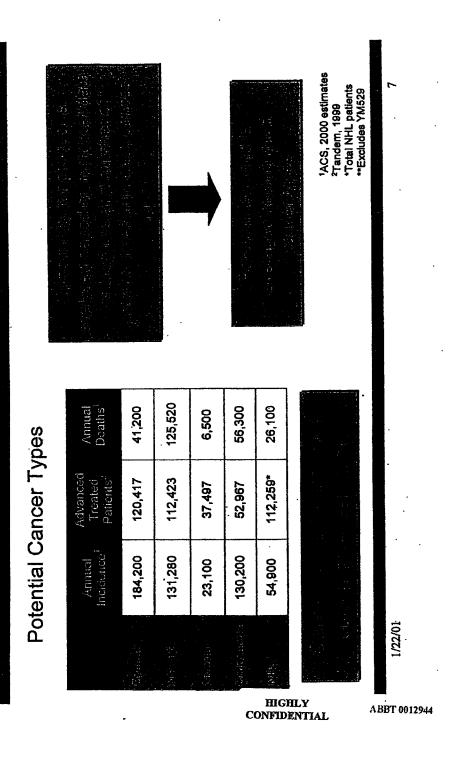


US Product Profile Development

- potential options for bringing an oncology product These scenarios represent a few of the many to market
- Market entrance strategy will be continually refined as more is learned about the efficacy and safety of each product and the profiles of competitors

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ABBT 0012943

US Product Profile**



in refractory patients and "spill over" into 1st line use is accounted for

Potential use of product

US Peak Share Estimates

ABT-518, ABT-751, FTI and TSP Depot

	Secor	id Line Appr	Second Line Approval (No First Line Indication)	cation)	
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	Second Line + Patients	32,245	Germonagna - 44% Vinceulbina - 33% Pachtarei - 14% Docetarei - 11%	*s9°	750Z
	Pital line patients (splil over)	86,178	Docetavel - 5%	*6	*6
	Second Line + Patients	22,178	Toposcari - 1276 Pacitizacai - 2116 Dor 81 1616 Gencatables - 716	308 308	187
	First line patients (apill over)	15,320	DOCHEKE - 3% Gemoltable - 1% Topolacen - 1%	š	*
	Second Line + Pellents	23,936	FF0 - 23% 6-FU - 23% Gepeclables - 5%	960g	25%
	(apil and patients	29,033	Libes than 8% theriod with 3 drug regimen	¥01	88
		41,434	ratuomas - 44% Cyclophosphemide - 25% Vincialina - 14% Eloposide - 17%	7.GC	%9¢
	(and gids)	929'830	Phintmab - 8%	,0°	10%

Tandem, 1999; US data only

ABBT 0012945

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US Peak Share Estimates

ABT-518, ABT-751, FTI and TSP Depot

	:	 Estimated 1st line use 	is in addition to the		market opportunity	with the 2nd line		Indication									when abote 011 -0000 market to
	market share	5)	Equivalent to	gold standard			15%				%0.7 70%		20%		722%	25%	
oproval	Estimated peak market share	(US)	Superior to Equivalent to	gold standard gold standard			25%				20%		75%		%09	80%	
Subsequent First Line Approval	Patient Share	1st line applications	in advanced	patients ¹	Tamoxiten - 28%	Paclitaxel - 15%	Docetaxel - 15%	Vinorelbine - 4%	Anastrazole 4%	Pacifiaxel - 56%	Vinoralbine - 16%	Gemcitabine - 14%	Paclitaxel - 88%		5-FU - 97%	Current therapy ~75%	
Subse		First Line	Patients				29,043				80,178		15,320		29,033	63,826	
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Tandem, 1999; US date only

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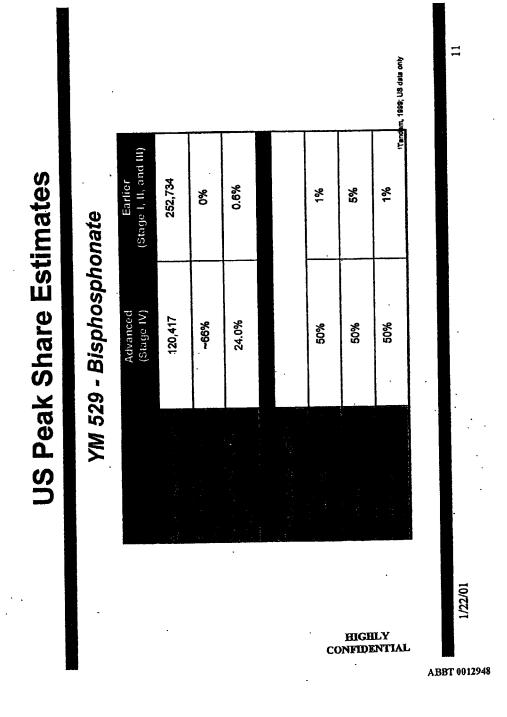
US Peak Share Estimates

ABT-510 and ABT-828

	are		10%	1	20%		20%	20%	20%		Tandam 1999: (111, 1666,
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nitia	Patier Agent	advance patients ⁱ	Tamoxifen - 9% Paclitaxei - 17%	Docetaxel - 18%	Pacifiaxel - 44%	Gemcitable - 23%	Paciltaxel - 48%	5-FU - 64%	Cyclophosphamide - 63%			
First Line - Initial Indication			Pa	Š	e s	8	ď.	<u> </u>	8.00 8.00 8.00 8.00 8.00 8.00 8.00 8.00			
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Tandem, 1998; US data only

1/22/01



US Uptake

- ABT-518, ABT-751, FTI and TSP Depot
- Second line indications: expect to reach peak market share in 4 years of launching indication
- Follow-on first line indication:
- · As new gold standard, expect to reach peak in 2 years after indication
- Similar to rapid uptake of Camptosar as first line therapy in colorectal cancer
 - As equivalent to an existing gold standard, expect to reach peak in 3 years after indication
- ABT-510 and ABT-828
- Expect to reach peak share within 3 years of launching indication
- Uptake expected to be slower than a first line indication that follows a previous second line approval
- YM529

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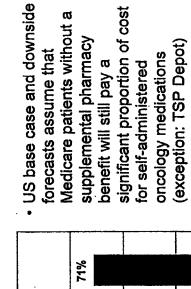
- Expect to reach peak in year 5 post launch
- Assumed to be slower uptake since this replaces a current therapy

1/22/01

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US Pharmacy Benefit Limitations





72%

%6/

80%

88

roportion of Cancer Patients

\$ % 20%

100%

US upside assumes that a Medicare patients, like other patients, will have coverage for self-administered oncology medications

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US Compliance Assumptions

	Depot	100%
Cytostatics	SC (ABT-510 or ABT-828)	50% (BID) 60% (Daily or TIW)
	Oral (FTI, ABT-518, YM529) (ABT-510 or ABT-828)	75%
	Cytotoxic (ABT-751)	75%

- HIV Therapy
- In several studies, 40-50% of patients take less than 80% of their doses^{1,2}
- Organ Transplant
- Average compliance among patients getting cyclosporine at no cost falls to 70-80% after 8 months³
 - In another report, non-compliance rates vary from 20-50%
- Compliance rates are also being explored in diabetes (insulin), dialysis patients (Epogen) and multiple sclerosis patients (beta-interferon)

¹Clin Infect Dis (2000)30 (Suppl 2):S171-176 ²J Acquir Immune Defic Syndro Hum Retrovirol (1998)18:117-125 ³Transplantation (2000) 70:1240-1244 ⁴Wien Kiin Wochenschr (2000) 112:423-440

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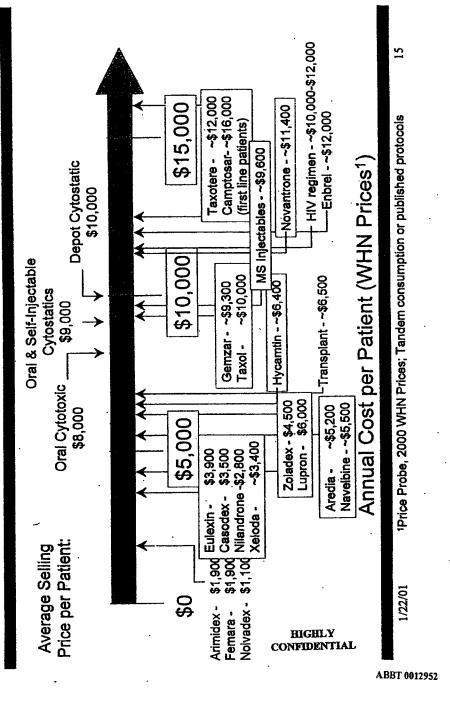
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ABBT 0012951

:

US Pricing



- Oral cytotoxic therapies
- Assume average selling price at launch will be \$8,000 per average patient
- Benchmarks
- If average patient is on therapy 6 months, daily cost will be ~\$44.00
- HIV therapy ranges from \$25 to \$35 per day or \$10,000 to \$12,000 per year (2000)
 - Transplant patients: cyclosporine cost is reportedly \$6,500/year (2000)
 - Price for cytotoxic agents (2000 WAC)
 - Orals: <\$4,000 per patient
- IVs: \$5,000 \$16,000 per patient
- Subcutaneous therapies
- Assume average selling price is \$9,000 per average patient
 - Similar to other chronic injectables (2000 WAC)
- MS injectables
- ~\$12,000/year ~\$9,600
- Depot formulation

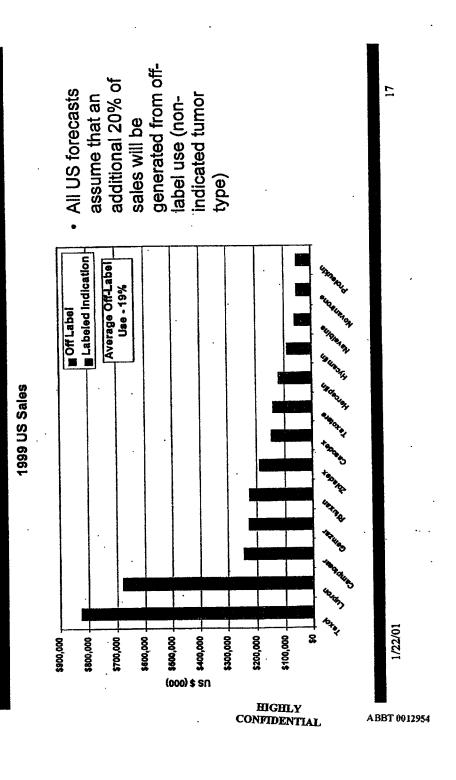
Enbrel:

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- Assume average selling price is \$10,000 per average patient
- More than Lupron and Zoladex, but will offer clear survival benefit

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US Off-Label Use



US Forecasts: Additional Downside Issues

- Potential managed care policy changes (Managed care disincentive)
 - Managed care providers may pass additional drug costs onto patients with "fourth tier" coverage that requires patients to pay a significant cost of the drug out-of-pocket (e.g. 25% or greater of the drug cost)
 - Forecasts have been reduced by 25% should patients with prescription coverage have to bear a significant portion of the cost
- Medical oncologist financial incentives (IV disincentive)
- Currently community oncologists reportedly generate 40-60% or more of their practice revenues from delivering chemotherapy1
 - administered products have a significant impact on practice revenues (e.g. Downside forecasts have been reduced 75% should the use of these selfreplace an IV chemotherapy agent currently in use) ı
- If the product clearly offers better efficacy, the "IV disincentive" will be much less of a factor ı
- Share reduction (ABT-510 and ABT-828 only)
- delivery characteristics, the use of the product will be greatly reduced (-75%) If product is not superior to other available therapies that have improved i

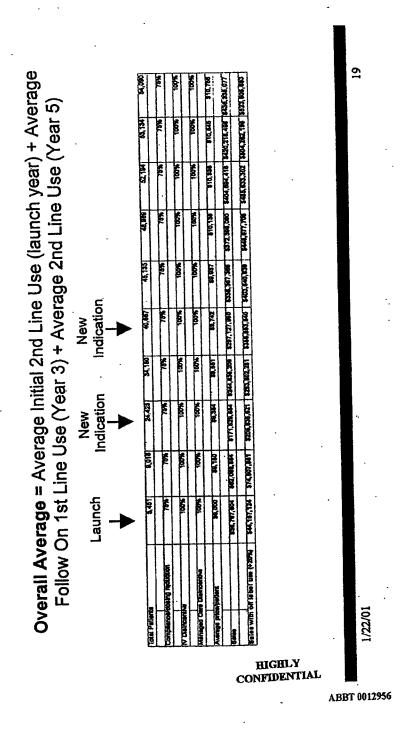
'Smith, TJ et al (2001) J. Clin. Onc. 19:260-264 DaVinci Healthcare Partners LLC (2000) Provider Trends

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US Sales Calculations



US Sales Force and Promotion Assumptions

- Sales force
- Approximately 50 rep equivalents
 - Pharmacia: 76 for Camptosar
- · Genentech: 65 for Rituxan, Herceptin and Activase
 - Lilly: 90 for Gemzar
- Call on 80% of the ~6,300 oncology professionals in the US
- Physician targets receive 15 calls/year, with 70% of calls primary
 - Cost per call similar to the HIV sales force
- No sampling
- Promotion
- Varies depending upon product sales
- In first 2 years, promotion is high (35-40% of sales in base case)
 - In years 3 and 4, promotion is 10-20% of sales in base case
 - Beyond year 4 falls less than 10% of sales

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Ex-US Base High and Low Scenarios

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Share assumptions triangulated from US proportion of first line and second line chemotherapeutic regimens and adjusted for differences in Europe

 Key variables in base, high and low cases were determined on the basis of future uncertainty in the markets:

 Price: Uncertainty in European reimbursement environment as a result of increased price transparency (Euro effect), NICE audits/guidelines etc.

Base High Low \$4,500 \$6,750 \$4,500

cancers; further, cancer patients are older and may <u>have family members a</u>nd/or home nurses for patients was generally higher than in chronic diseases especially in cases of breast and ovarian Compliance: Feedback from European physicians indicated that compliance amongst cancer Compliance administering injectables ı

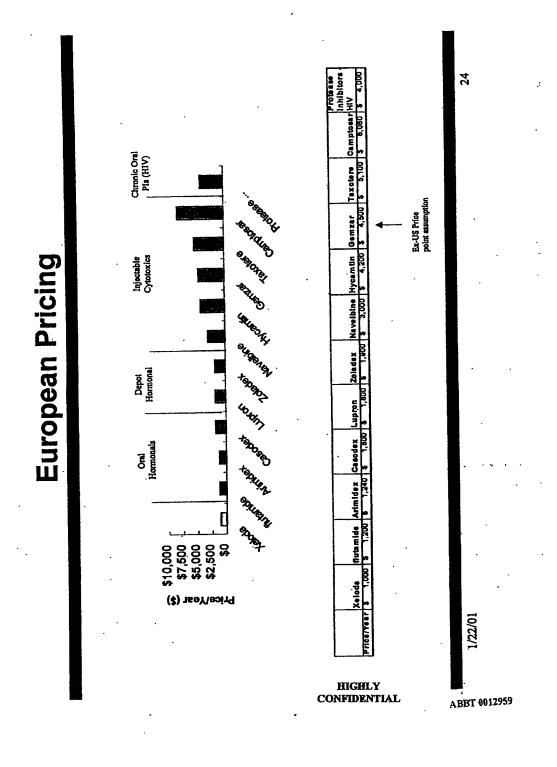
50% 8 Š 70% Ì 85% 80% 78% 80% 를 80% **8**0 8 8 Base FT1, ABT 518, YM 529 (Ond QD) ABT 751 (Oral BID) ABT 610, ABT 828 TSP Cytostation Cytotoxic Depat O sia

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 Off-label use: Off-label use is currently relatively less in Europe; however, the changing reimbursement climate and evolution to more aggressive treatment modalities especially academic centers accounts for variability in future off-label use

7% (Base); 12% (High); 2% (Low)

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Ex-US Sales Force and Promotion Estimates

Sales Force

- Approximately 4000 oncologists in Europe; 50% high prescribers and 50% low prescribers
- Total 20000 visits/year for all high prescribers and 16000 visits/year for all low prescribers 10 visits/year for high prescribers and 8 visits/year for low prescribers
 - Each rep makes 6 visits/day for 240 days; total visits/rep/year is 144
 - - Number of reperrequired is 25 at \$100,000/rep
- Approximately 1000 oncologists in Japan; 50% high prescribers and 50% low
 - Similar computation as for Europe results in 6 reps at 130,000/rep prescribers
- Sales force costs for ROW estimated at 15% of Europe and Japan

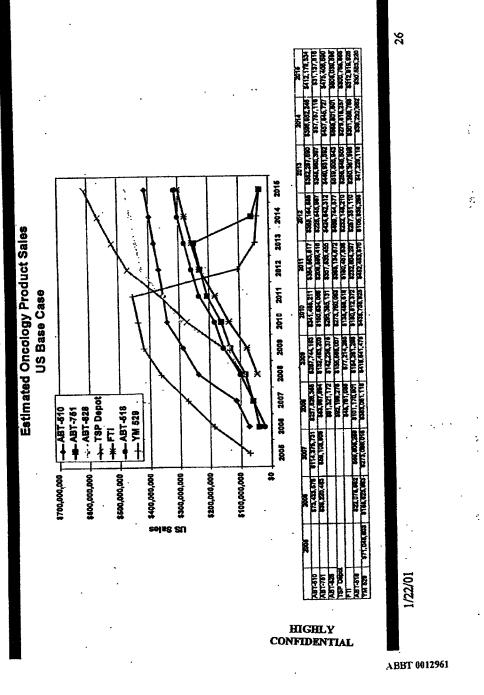
Promotion

- Promotional costs determined using Kaletra's launch year estimates as benchmark Promotional costs reduced to 50% of launch year by year 3-year 6 followed by a 1
 - further reduction to 30% through year 10

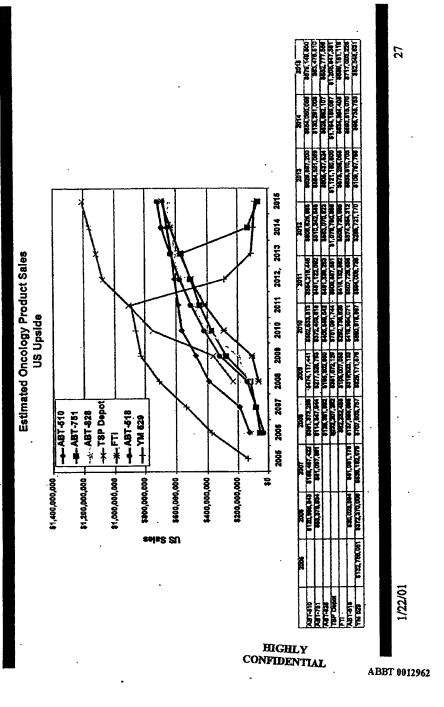
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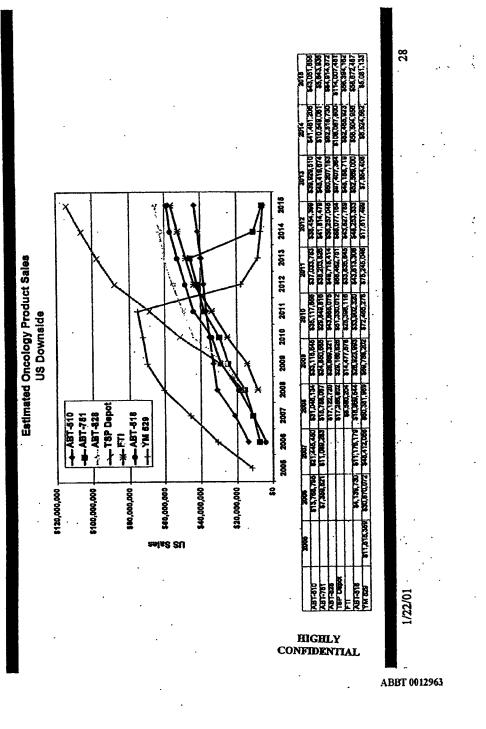
Forecasted US Sales



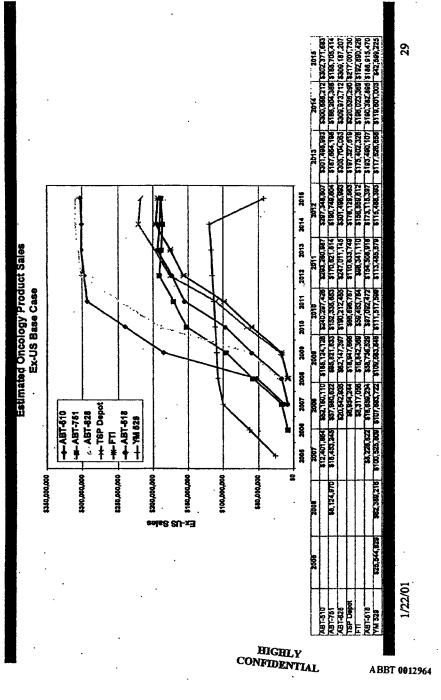




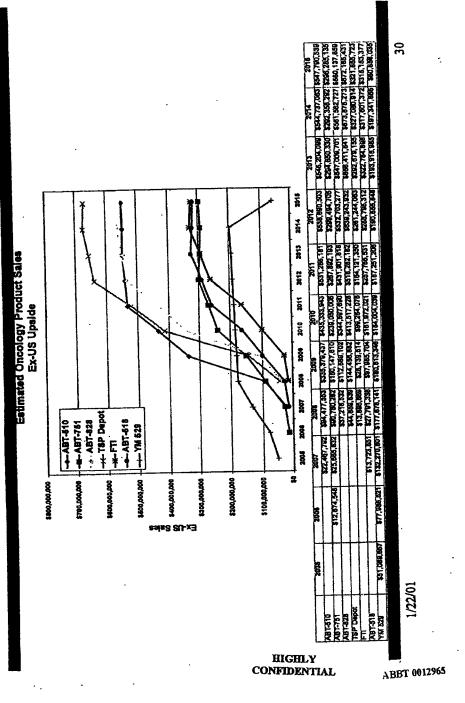
Forecasted US Sales



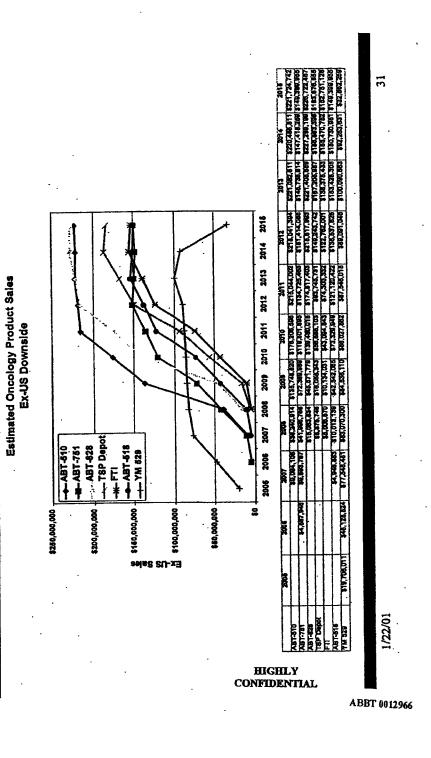
Forecasted Ex-US Sales



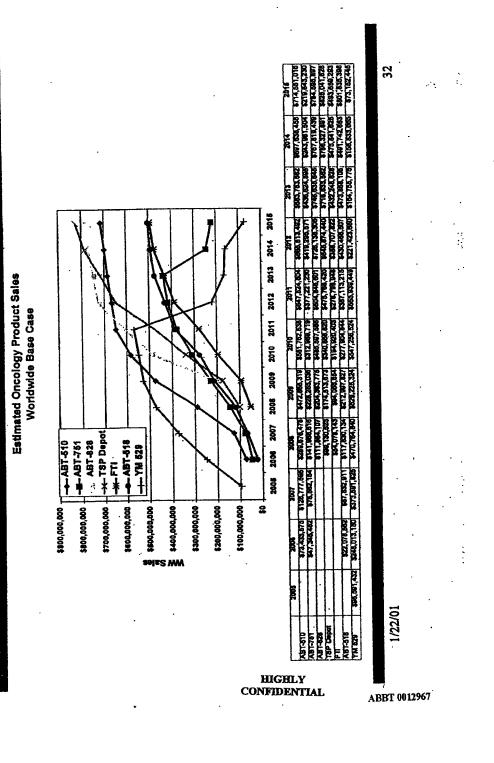
Forecasted Ex-US Sales



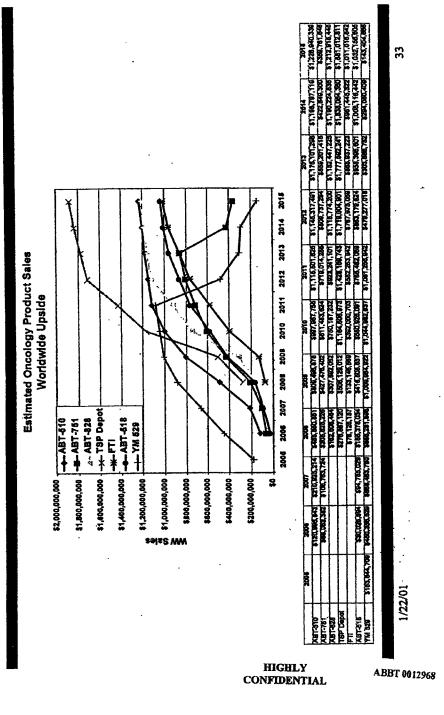
Forecasted Ex-US Sales



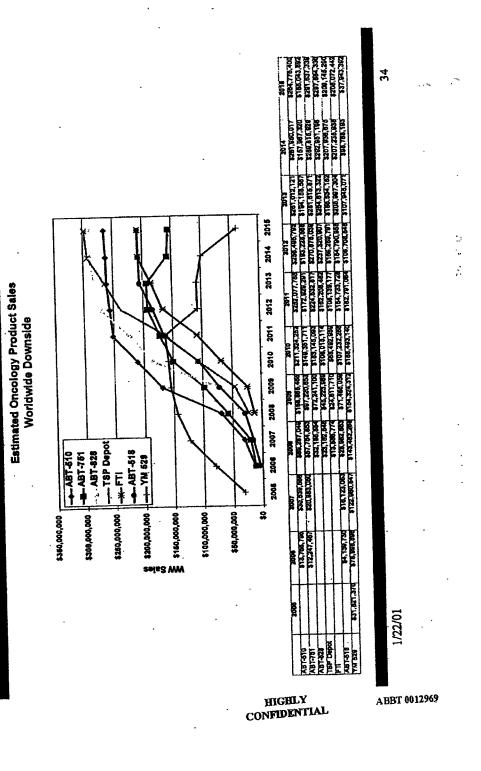
Forecasted WW Sales



Forecasted WW Sales



Forecasted WW Sales



Hendricks Deposition Exhibit 20

P's Exhibit MJ

Portfolio Analysis of 2001 Abbott Global Pharmaceutical Development Assets

April 20, 2001

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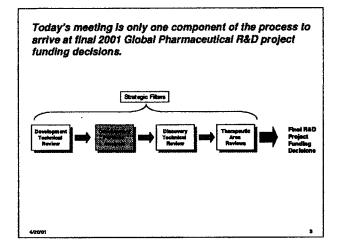
Contents

- Introduction
- Portfolio Analysis Process and Database Content
- Abbott Global Pharmaceutical Development Asset Pool Characterization
- Analysis of Potential Development Portfolios Issues and Trade-offs

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Objectives of today's meeting

- Understand the total Abbott global pharmaceutical easet base with regard to value creation potential, uncertainty profile, phase mix, etc.
- Understand various trade-oils of different funding scenarios with respect to potential value creation, asset utilization, budget implications, etc.
- Provide strategic perspective for final development budget prioritization decisions in early May.
- It is <u>not</u> an objective to recommend one particular funding scenario or decide which projects to fund or not fund.

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Portfolio Analysis Process and Database Content

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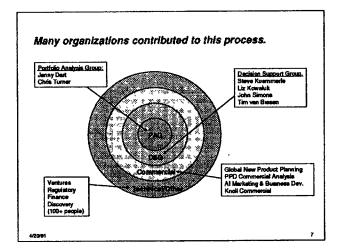
Assets included in this analysis

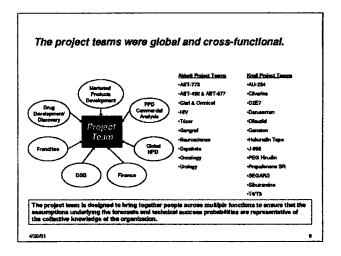
- Included:
 - PPD pharmaceutical assets: Post-DDC Phase IV
 - Knoll development projects:
- Not included:
 - HPD pharmaceutical assets
 - Al-specific pharmaceutical assets (Uprima)
 - Knoil Phase IV projects previously included in Knoil's promotional budget.
 - Discovery pre-DDC assets

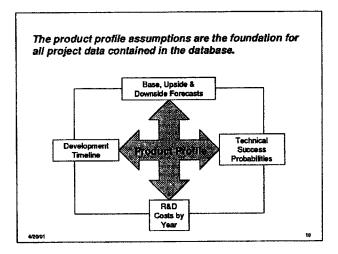
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We use decision analysis methods to value R&D assets.

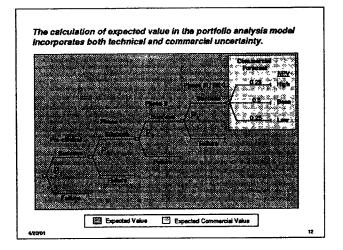
- Allows for the incorporation of uncertainty in asset valuation.
- Provides a common language for comparing relative value between R&D assets.
- Provides a quantitative method for evaluating the relative values and trade-offs between various portfolio options.

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Key definitions - project value measures

- Expected Value (EV):
 - Risk adjusted Net Present Value (NPV) of a project
 - Incorporates base, upside and downside division margin projections.
 - · Incorporates technical risk by phase.
 - NPV Division Margin calculated on years 2001-2015.
 - Discount rate = 12.5%
- Expected Commercial Value (ECV):
 - Probability-weighted average of base, upside and downside division margins.
- Productivity Index (Pi):
 - Ratio of Expected Value to Expected R&D cost
 - "Bang for the Buck"

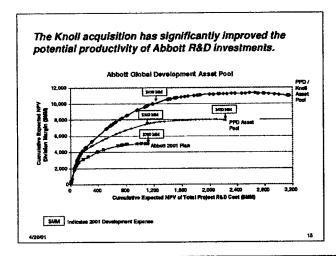
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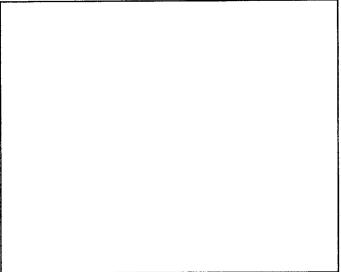
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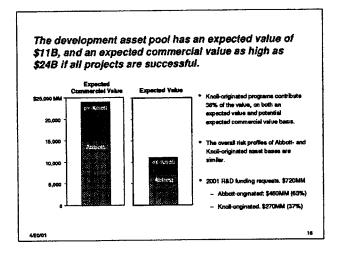
Abbott Global Pharmaceutical Development Asset Pool Characterization

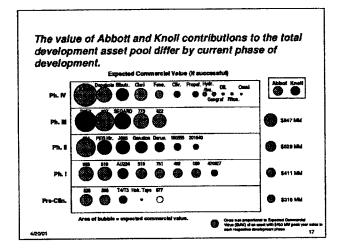
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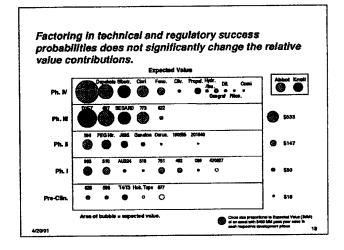


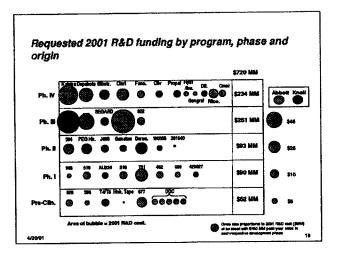




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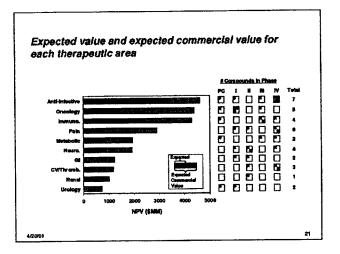


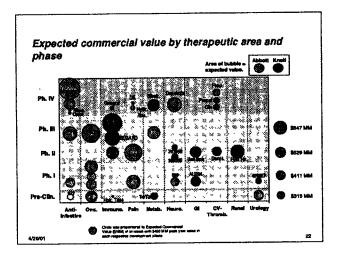


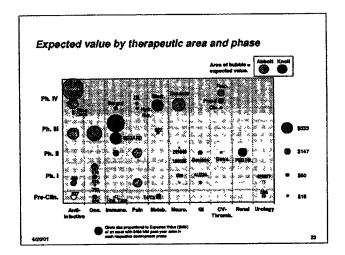
Therapeutic areas represented in the development asset pool

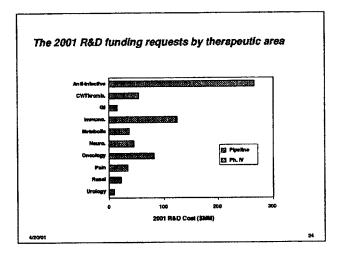
- Anti-infectives (anti-bacterials and anti-virals)
- Cardiovascular/Thrombosis
- • • • •
- 1mmunoscience
- Metabolic diseases (diabetes, obesity, thyroid)
- Neuroscience
- Oncology
- Pain
- Renal
- Urology

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> Analysis of Potential Development Portfolios – Issues and Trade-offs

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There are various ways to prioritize projects within the portfolio.

- Expected Value: Fund projects according to rank order of expected value.
- Productivity Index: Fund projects by rank order of productivity index.
- Phase Balanced Productivity: Within each phase, fund most productive projects with objective of achieving product launch consistency.

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Phase Balanced Productivity prioritization balances short-term and long-term assets.

- Expected Value
 - Favora late stage development compounds.
 - Selects big development projects over smaller projects.
 - Dosen't ensure most productive use of R&D resources.
 - Not recommended to be used for portfolio prioritization.
- Productivity Index
 - Ensures most productive use of R&D resources.
 - Strong bias towards Phase III &IV programs.
 - Late stage bias can result in phase mix imbalance.
 - Used only as productivity benchmark and not as primary portiolio optimization method.
- Phase Balanced Productivity
 - Ensures phase mix balance with high productivity.
 - Recommended methodology for portfolio selection, if feasible.

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Phase Balanced Productivity Prioritization

Objective: Fund projects to achieve optimal phase mix to ensure product issunch consistency over time, while maximizing overall R&D investment productivity.

"Optimel" Phase Mix: Optimal development phase mix based upon the following factors:

Technical success probabilities

- 7 year development timelins
- Abbott historical development costs



Funding Bules: Within each phase, fund most productive projects with objective of achieving "optimal" phase mix:

- Ph IV allocation determined and funded separately based on highest PI ranking.
- Determine relative spending by phase to achieve "optimal" phase mix.
- Allocate funds by phase based upon highest Pt ranking.
- "Approved" DDC's funded before future DDC's.

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Candidate portfolios were evaluated on the basis of multiple value measures.

- Asset utilization
- Fraction of available NCEs funded by phase
- Expected value realized
- Phase mix
 - Allocation of development budget by phase
 - Number of projects per phase
- Product Isunch pettern
- Productivity index
- Therapeutic area mix
 - Allocation of development budget by therapeutic area
 - Number of projects by therapeutic area
- Expected sales
 - Short (2004), Medium (2008), and Long (2012) Term

Future R&D cost implications

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Potential portfolios were analyzed across various total 2001 funding levels and Phase IV allocation scenarios.

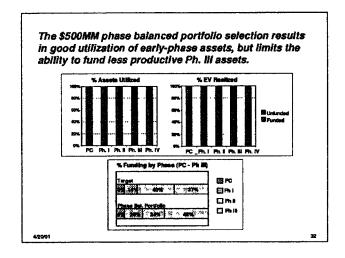
- The implications of funding decisions were assessed by analyzing the impact of two key variables:
 - Size of the 2001 Development budget:
 - Range from \$500MM to \$650MM
 - Phase IV allocation:
 - Range from 15-30% of the Development budget
- These issues were not explicitly considered in this analysis:
 - -- Contractual obligations (e.g. Hancock)
 - Current funding status of projects (2001 plan)

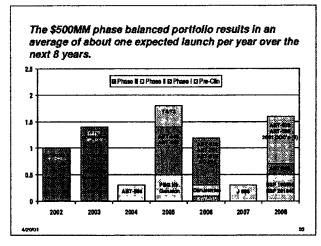
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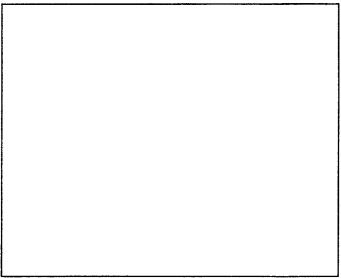
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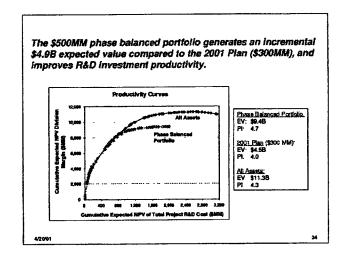
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- <u>Scenario 1</u>
 Funding Level: \$500MM
 Ph. IV Allocation: 20%
 Phase Balanced Productivity Selection









The main trade-off with this scenario is that two key Phase III assets are not funded.

- ABT-827 and ABT-773 do not meet the funding threshold:
 - The phase-balancing model limits the Phase III-specific budget.
 - Among Phase III programs, ABT-627 and ABT-773 have the lowest productivity indices:

8EGARD	12.5	\$11.9MM
ABT-622	8.5	\$10,3MM
DeE7	7.5	\$99.3MM
ABT-627	4.3	\$41.0MM
ABT-773	2.5	\$88.0 MM

The phase-balance model allocates \$122MM to Ph III projects (\$500MX budget with 20% Ph IV allocation)

Reducing the Ph IV allocation to 15% allows funding of ABT-627 (Ph III budget increased to \$156MM).

- Aside from the obvious commercial implications, there are estimated to be \$75MM in shut down costs for ABT-627 and ABT-773.
- Funding of all Ph III programs in a phase-balanced portfolio requires an increase in the total development budget to at least \$600MM.

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Pros

- Excellent utilization of pre-Ph. III
- More than doubles expected value over 2001 Plan with only a 67% increase in
- Average of one product leunch per year over next 8 years.

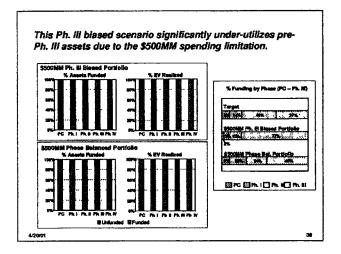
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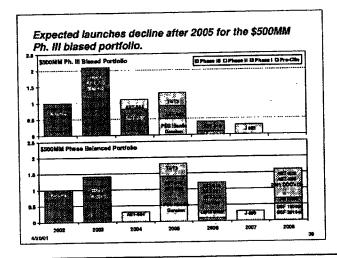
- Funding is not available for two key Phase III compounds (ABT-627 and ABT-773).
- Significant shut-down costs associated with ABT-627 and ABT-773.
- At least \$600MM would be required to fund ABT-627 and ABT-773 and maintain phase balance.

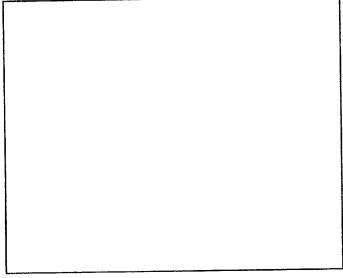
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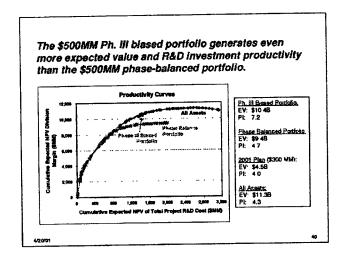
Scenario 2

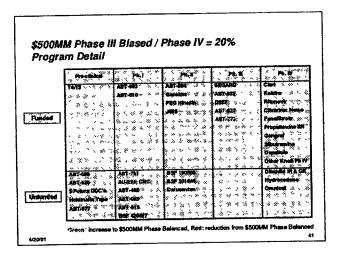
- Funding Level: \$500MM
 Ph. IV Allocation: 20%
 Ph. III Biased Selection (requires all Ph. III projects to be funded)



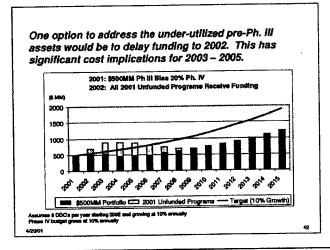


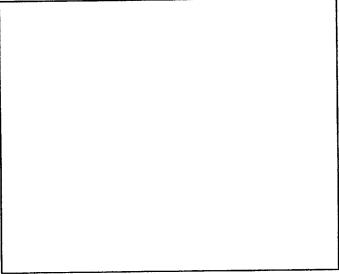


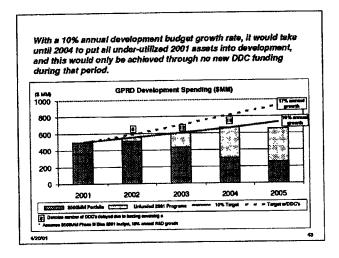


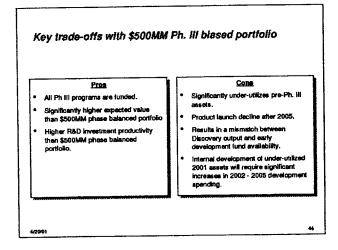


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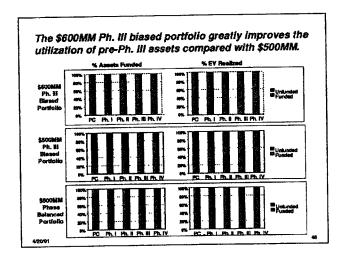


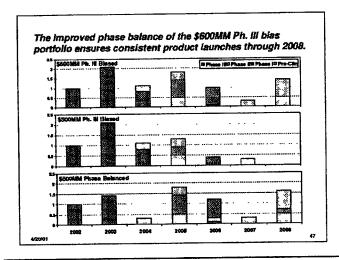


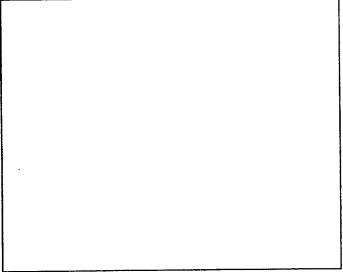


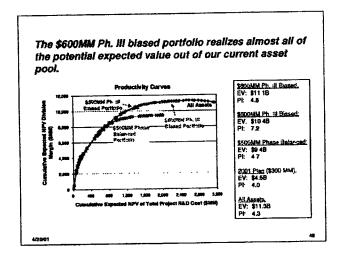
Scenario 3

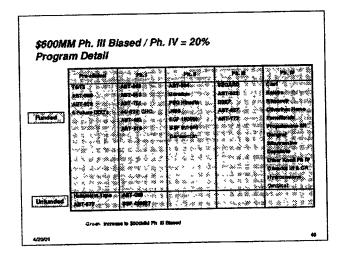
- Funding Level: \$600MM Ph. IV Allocation: 20% Ph. III Biased Selection (requires all Ph. III projects to be funded)

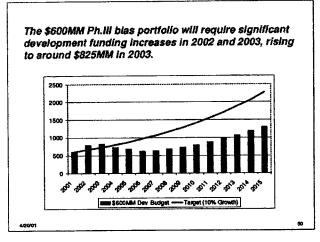


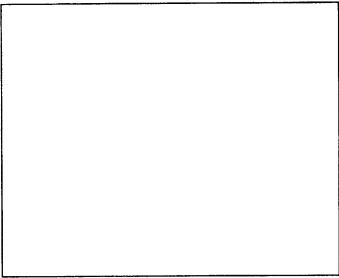


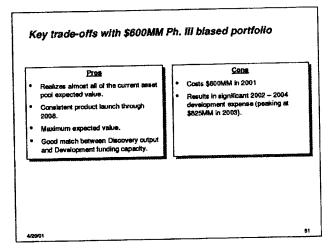










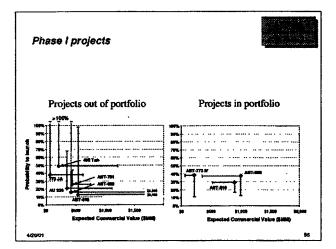


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	2001 Pleas (8.380614)					
	\$4.5 B	\$9.4 B	\$10.4 B	\$11.1 B		
	40	47	72	4.8		
200	Poor	Good	Poor	Good		
	Post 2005 decline	Consistent through 2008	Post 2006 decline	Consistent through 2008		
20.00	Within 10% growth target	Wahin 10% growth target	Within 10% growth target	Significant		
	Productive Ph.IV programs not funded	Key Ph.III Programs Not Affordable	Utilization of unfunded 2001	Development budget rises to \$825MM by 2003		

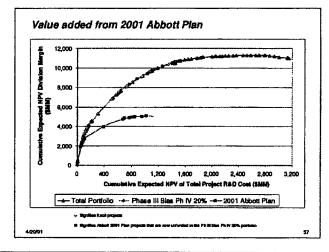
BACKUPS

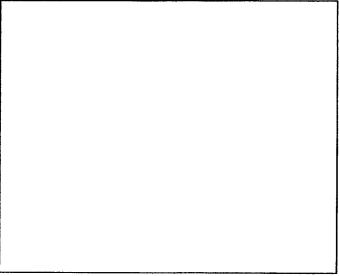
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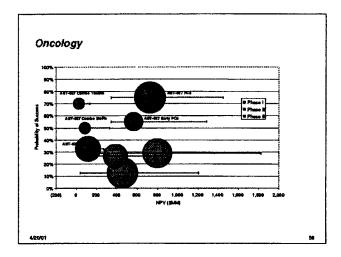
B			2002 Costs (\$MM)		
Compour	<u>ds</u>	2001 Costs (\$MM)	Hominel	expected	
ABT-773	Ketolide Tablet	0.88	61.3	61.3	
A8T-773	Ketolide IV	75	8.8	44	
ABT-827	Endothelin	41 8	50.0	50.0	
ABT-594	Neuro Pain	17.2	58.4	26.3	
018-TEA	TEP	10.5	22.5	19.1	
A31-462	Quinolone Tablet	21.5	67.7 (1)	48.7	
AET-518	LEMPI	9.4	38.1	26.6	
A61-751	Anti-Milote	8,4	311 (2)	12.4	
ABT-XXX	FTI	2.0	150	9.4	
ABT-XXX	Dopamine Receptor Agonist	5.0	15.0_(3)	94	
	Total	212.3	367.9	260.6	
Mana Tarri ede	rilles uniquifed programs. In the \$500MJ	Physics Reignand Ph. IV 2004, carrie	ملا.		
	iznikes programs tunded in each perticle				
	rities unknowed assurance in the \$600LBd				
	programs funded in the \$600AM Phili Ba				
	seperase exclusion \$55454 milestone payer	ent to Walcungs.			
(1) AST-492					
	expense sociales \$2MM tribatone paym	erst to Elegal.			

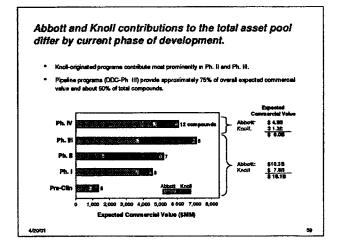


(\$ Millions)	\$600MM Phase Balanced	\$500MM Phese Blesed	\$600MM Phone Blassed
ABT-773	60		
ABT-627	15		
Derusentan		10	10
ABT-492	7	9	
Sibuttamine: Japan ABT-618	I 'I	5	,
ABT-751	۱ ۱	3	
Depakote, Elderly Agitation	اغا	2	2
Sibutramine: Binge & Buhmia	ا ع	2	2
AU-224	"	2	-
Omnicet Otitis Media	'	2	2
Depakete: ER 250mg	;		
Gengrat PREFER	1 11	i	i i
ABT-089	1 1	i	
BSF 201640	امرا	n/a	
Cliverine, Cardio	l n/a	n/a	n/a
Dilaudid	n/a	n/a	
Hydrocodone	n/a	n/a	n/a
Total	88	46	26

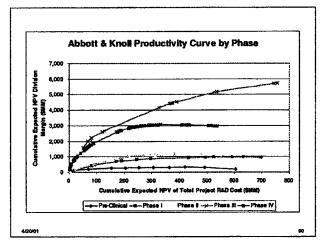


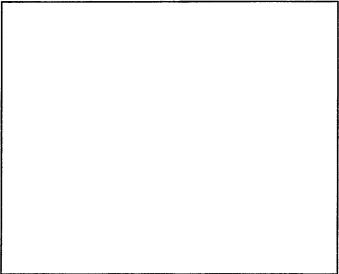






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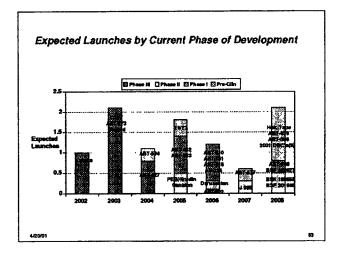
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				100	
Anti-intective	* ABT-677	• AST-462		* Kalekta * ABT-773	Nasira Ritoravic Claritorosycon Omeicat
Cardiovasculari Thrombosis			* December		* Fenofitzale * Propulernovifizaçãosoù * Citavina
Gestroin teatin ai		* AU-224	* Copensisten		
Immunoaciones		a Hestinish Tape	*.865	* 02E7 * 6EGAFAD	* Gergraf
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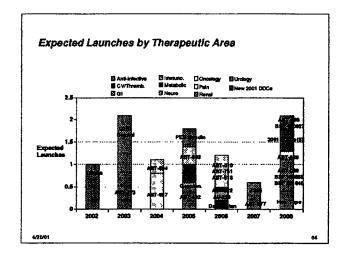
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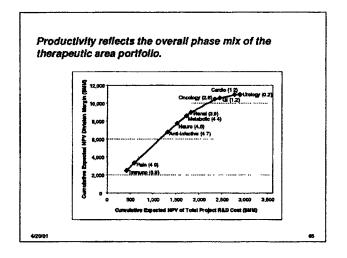
Pipeline by Therapeutic Area (2)					
Neurosciunce		* AET-089	* 867801840 * BSF18656		* Depukule
Oncology	* AET-628	* AET-518 * 016-TBA * 167 TBA *	* AST-627 (ren- PCA)	* ABT 472 (PGA)	
Pain		* AET-963	* ABT-594		 Hydrocodonalbup olen Eriscold
Renal Cure			* PE G. Hisudan		
Urology	" ABT-ore				

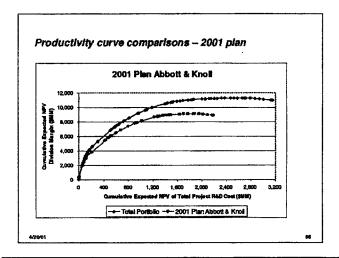
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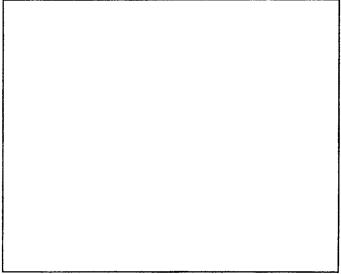
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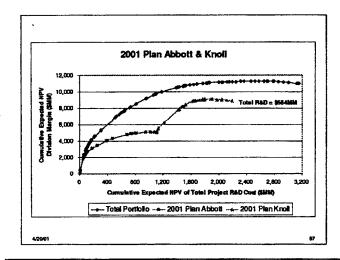


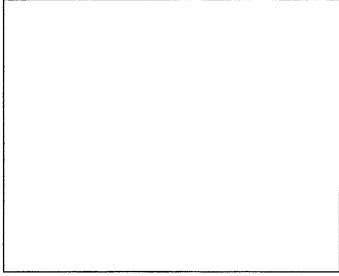


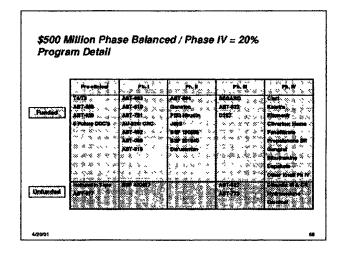


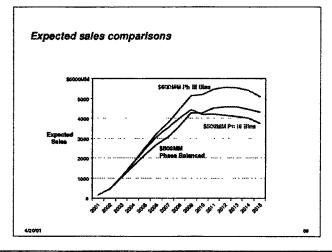


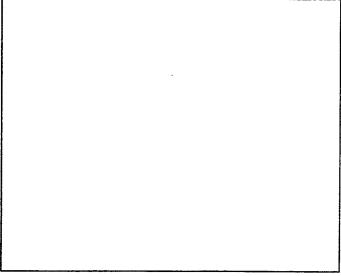


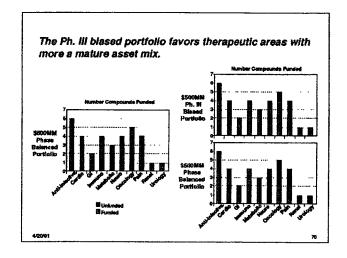


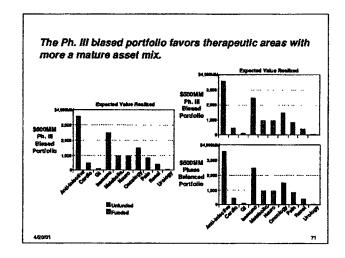


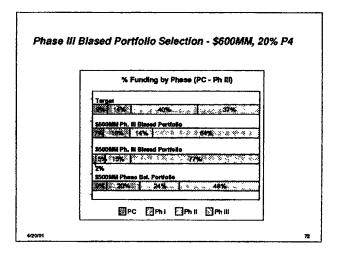








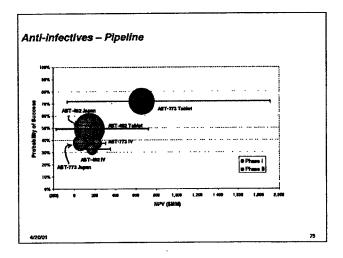


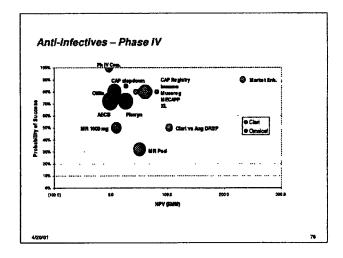


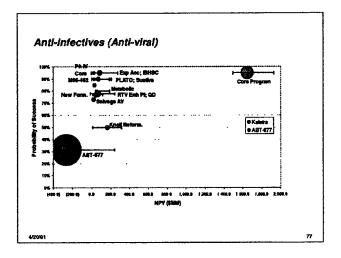
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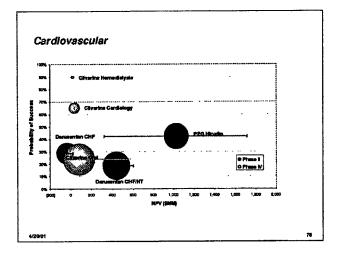
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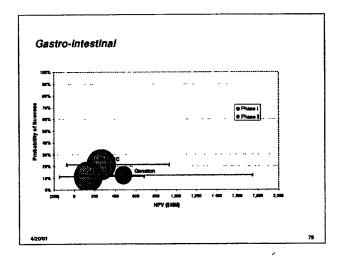


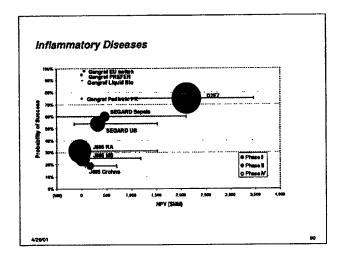


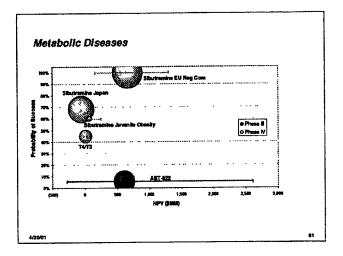


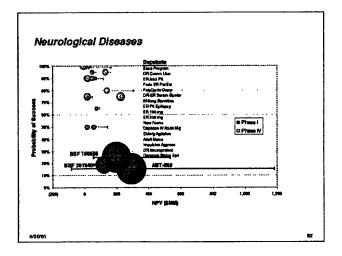


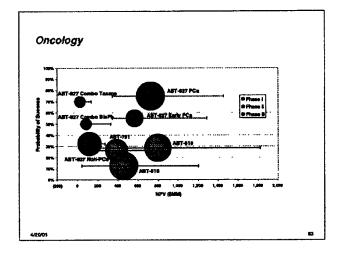
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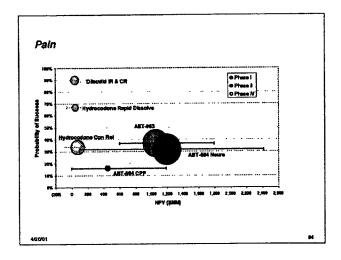






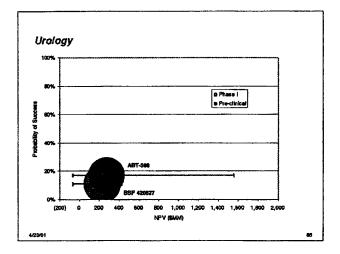




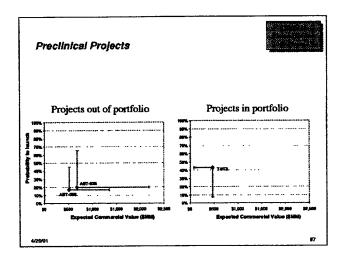


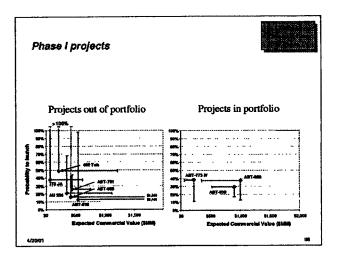
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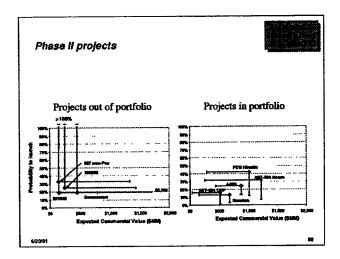
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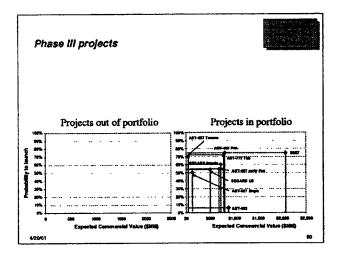


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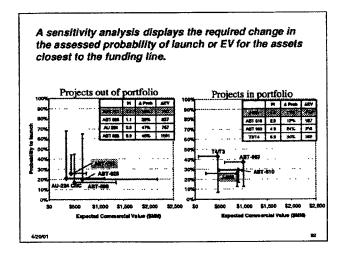


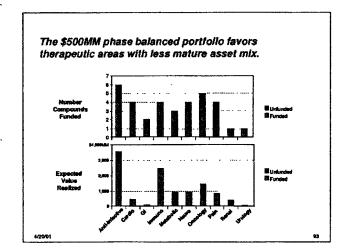
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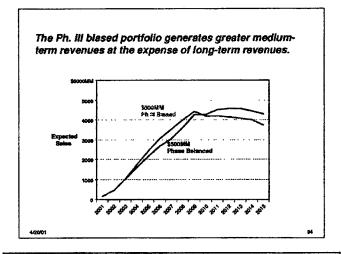
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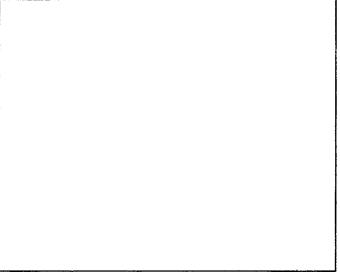
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